



HALF YEAR FINANCIAL REPORT 30 JUNE 2021

BANK OF AFRICA

HALF YEAR FINANCIAL REPORT 30 June 2021

BANK OF AFRICA

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HALF-YEAR RESULTS

30 JUNE 2021

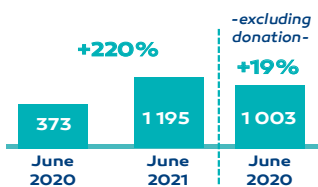
FINANCIAL AND COMMERCIAL PERFORMANCE REBOUNDS

BANK OF AFRICA – BMCE Group’s Board of Directors, chaired by Mr Othman BENJELLOUN, met Friday 24 September 2021 at the Bank’s head office in Casablanca. It reviewed the business activity of the Bank and of the Group for first half 2021 and drew up the financial statements for the period in question.

The first half 2021 financial report is published on the website www.ir-bankofafrica.ma.

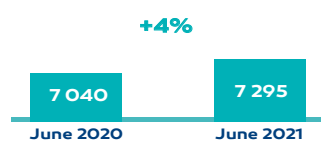
CONSOLIDATED BUSINESS ACTIVITY (MAD MILLIONS)

NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY



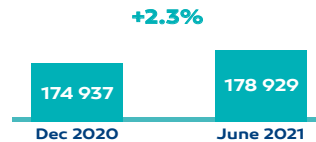
+220% jump in **net income attributable to shareholders of the parent company** to MAD 1.2 billion; excluding the impact from the donation, net income rose by **+19%** to MAD 1 billion.

NET BANKING INCOME



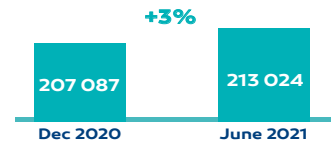
+4% growth in **consolidated net banking income** to MAD 7.3 billion at 30 June 2021.

CUSTOMER LOANS



+2.3% increase in **consolidated customer loans**, excluding resales, to MAD 179 billion versus MAD 175 billion at 31 December 2020.

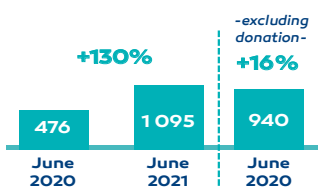
CUSTOMER DEPOSITS



+3% rise in **consolidated customer deposits** to MAD 213 billion versus MAD 207 billion at 31 December 2020.

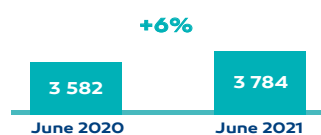
PARENT BUSINESS ACTIVITY (MAD MILLIONS)

NET INCOME



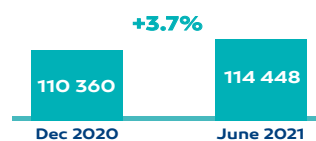
+130% increase in **BANK OF AFRICA S.A.’s net income** to MAD 1.1 billion; excluding the impact from the donation, net income rose by **16%** to MAD 940 million.

NET BANKING INCOME



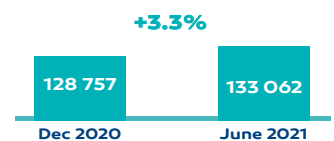
+6% growth in the Bank’s **net banking income**.

CUSTOMER LOANS



+3.7% increase in the **Bank’s customer loans** in Morocco to MAD 114.5 billion.

CUSTOMER DEPOSITS



+3.3% rise in **customer deposits** to MAD 133 billion versus MAD 129 billion at 31 December 2020.

GRADUAL RECOVERY UNDERWAY IN FINANCIAL RESULTS

After excluding the impact from the COVID-19 donation, **net income attributable to shareholders of the parent company rose by 19% to MAD 1,195 million** in first half 2021 whilst **parent net income was 16% ahead at MAD 1,095 million.**

Despite the uncertain operating environment, rebound in Group revenues with **consolidated net banking income up 4% to MAD 7.3 billion** at 30 June 2021, driven by positive growth across business lines (fee income +9% and net interest income +4%, whilst income from market operations fell by 15%).

Parent company net banking income up 6% to MAD 3.8 billion, driven by a healthy performance from the core business, with fee income +5% and net interest income +4% with strong growth (+22%) in dividend income. By contrast, income from market operations fell by a modest 2% given the exceptional performance in 2020.

General operating expenses +4% year-on-year to MAD 1.8 billion at the parent company, resulting in a cost-to-income ratio of 47.1% at 30 June 2021 versus 47.6% at 30 June 2020, an improvement of 0.5 percentage points.

At the consolidated level, **expenses declined by 18% on the basis of the Group's contribution to the COVID-19 Fund in 2020 being excluded**; after factoring in this contribution, the Group's expenses rose by 3% at 30 June 2021.

Improvement in the consolidated cost of risk (-12%) to MAD 1.3 billion at 30 June 2021 versus MAD 1.5 billion at 30 June 2020. **The cost of risk at the parent company declined by 5% to MAD 562 million** at 30 June 2021 versus MAD 594 million.

Strong commercial performance in first half 2021 with consolidated outstanding loans, excluding resales, **+2.3%** to MAD 179 billion at 30 June 2021 with **+3.7% loan growth at the parent company.**

A decent performance by **consolidated customer deposits which grew by +3%** to MAD 213 billion at 30 June 2021 versus MAD 207 billion at 31 December. **Parent company customer deposits +3.3%** to MAD 133 billion at 30 June 2021.

ONGOING DIGITAL TRANSFORMATION AND NEW PRODUCTS LAUNCHED

BANK OF AFRICA's digital offering further enhanced with additional services on *BMCE Direct* and *Agence Directe*, providing a more straightforward, user-friendly, comprehensive and secure customer experience.

***Crédit DABA*, a new online credit platform enhanced** with an entirely digital subscription process.

New online version of *Crédit Business Online* introduced for businesses, including small businesses, which includes a website that can be accessed on any device.

***Business Online* portal's functionality enhanced** with improved services to meet the needs of business customers.

***DABA Transfer*, BMCE EuroServices' digital platform launched**, a solution enabling customers to remotely open money transfer accounts and transfer money in three countries and three languages – French, Italian and Portuguese.

SMART pilot launched across the BANK OF AFRICA ATM network and currently being extended to the entire ATM network.

Remote sales service introduced for retirement and educational savings products on *BMCE Direct Web and Mobile*.

Digital consulting service launched on *WhatsApp Business* to provide out-of-hours assistance.

LEADERSHIP BOLSTERED IN SUSTAINABLE DEVELOPMENT AND POSITIVE IMPACT FINANCE

Positive impact financing highlighted, particularly in areas related to society, education, health and smart cities, through a partial analysis of the Bank's loan portfolio using UNEP FI's **Portfolio Impact Analysis Tool for Banks**. Loans categorised as Positive impact loans now account for **30.46%** of total loans disbursed to the Bank's Moroccan corporate customers.

Women's Empowerment Principles endorsed, a partnership initiative established by UN Women and the UN Global Compact. These principles are a set of ideas designed to offer guidance to the private sector on **how to promote gender equality and women's empowerment at every level within the workplace** as well as women's economic empowerment through programmes and products.

4th carbon assessment carried out in respect of 2020, resulting in a **significant improvement in the Bank's carbon footprint**, underlining its **efforts to protect the environment** as part of the environmental and energy programme implemented in the context of the pandemic.

Sustainable agribusiness webinar organised in partnership with the **Green for Growth Fund (GGF)**, aimed at raising awareness among Moroccan companies along the agribusiness sector's value chain about **energy efficiency and resource optimisation**.

Contributions made to international publications such as the first Progress Report from a Moroccan bank in line with the UNEP FI's **Principles for Responsible Banking (PRB)**, the **Network for Greening the Financial System's 2020** report and the China's Belt and Road initiative's **Green Investment Principles' (GIP)** annual report.

NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY AT 30 JUNE 2021 BY GEOGRAPHICAL REGION



- MOROCCO • 53%
- SUB-SAHARAN AFRICA • 40%
- EUROPE • 7%

HIGHLIGHTS

BANK OF AFRICA successfully completed a **MAD 1 billion issue of perpetual subordinated bonds** with a loss absorption and a coupon payment cancellation mechanism. The issue was **232% oversubscribed** by institutional investors, with **mutual funds**, in particular, showing a high level of interest in the issue, thereby underlining their confidence in BANK OF AFRICA Group.

Major institutional communications campaign launched as part of Bank's rebranding exercise, with a brand film and a brand content website – www.21ressourcespourlavenir.com - rolled out across all channels, with content adapted to the Bank's different audiences.

Change in the corporate name of the Group's Madrid subsidiary to **BANK OF AFRICA EUROPE**.

BMCE Capital Investments authorised to conduct business as a private equity investment management company (OPCC) by order of the Minister of the Economy, Finance and Administrative Reform after consultation with the Moroccan Capital Markets Authority (AMMC).

Partnership bolstered with the European Bank for Reconstruction and Development (EBRD) as part of the green financing programme for small and medium-sized enterprises with a new collaborative agreement within the framework of the **Green Economy Financing Facility (GEFF)** programme, with the support of the Green Climate Fund (GCF).

Authorisation completed by which BANK OF AFRICA and **Interbank Electronic Banking Centre (CMI)** enabling the Bank to provide an interoperability service between the Bank's cash withdrawal facilities across its ATM network and M-Wallets.

RATINGS



**BA1,
NEGATIVE
OUTLOOK**



**BB,
STABLE
OUTLOOK**



**Non-financial rating
A+**

AWARDS

BANK OF AFRICA wins the 'Outstanding Leadership in Sustainable Project Finance – Africa' award from Global Finance Magazine in the context of its Sustainable Finance Awards 2021.

BANK OF AFRICA Group named **'Best Bank in Africa 2020'** after being awarded the **Golden Award trophy at the Africa Investments Forum & Awards (AIFA)** by Leaders League.

BANK OF AFRICA named **'Third Safest Bank in Africa in 2021'** by Global Finance Magazine and now ranked among the top three banks on the African continent.

PROFILE



**14,691
EMPLOYEES**



**32
COUNTRIES**



**1,956
POINTS OF SALE**



**6.6
MILLION CUSTOMERS**

BANK OF AFRICA is one of Africa's main pan-African financial groups. With an extensive portfolio of brands and subsidiaries, BANK OF AFRICA has adopted a universal banking business model comprising a variety of business lines, including commercial banking, investment banking as well as specialised financial services such as leasing, factoring, consumer credit and participatory banking.

Established in 1959 and privatised in 1995, BANK OF AFRICA is a universal bank which offers a diversified range of products and services through a domestic network of 700 branches. BANK OF AFRICA, Morocco's third largest bank in terms of market share for deposits and loans, currently has operations in about thirty countries in sub-Saharan Africa, Europe and Asia.

BANK OF AFRICA's activities primarily include commercial banking, specialised financial services, asset management, investment banking and international activities.

BANK OF AFRICA in Morocco

BANK OF AFRICA's activities in Morocco include:

- Retail Banking, sub-divided by market specialisation - retail customers, professional banking customers, private clients and Moroccans living abroad;
- Corporate Banking, including SMEs and large enterprises.

It is worth noting that BANK OF AFRICA has embarked on a regional strategy aimed at moving the Decision-making process closer to the customer and improving the Bank's impact from a commercial perspective. The Bank's distribution network, now organised on a regional basis and enjoying greater independence, encompasses both Retail Banking as well as Corporate Banking activities.

- BMCE Capital, the Bank's investment banking subsidiary, is organised by business line on an integrated basis which include asset management, wealth management, brokerage and capital markets activities as well as M&A and other corporate advisory services.
- Specialised financial services, whose products are primarily marketed via the branch network, the aim being to develop intra-Group commercial and operational synergies - consumer credit, leasing, bank-insurance, factoring and vehicle leasing. RM Experts, subsidiary specialising in recovery, was established in 2010.

In January 2019, BANK OF AFRICA created a new subsidiary covering all services and banking processing in order to improve the quality of its services.

BANK OF AFRICA's international activities

BANK OF AFRICA's international vocation can be traced back to its origins as a bank specialising in foreign trade. The Bank rapidly turned to international markets by building a strong presence in Europe. In 1972, it became the first Moroccan bank to open a branch in Paris. The Group's European activities are conducted through BMCE International in London, Paris and Madrid, which constitute the Group's European platform for investing in Africa.

The Bank also has twenty or so representative offices providing banking services to Moroccans living abroad. The Bank recently established BMCE Euroservices as a result of the recent re-organisation of its European business. This entity, which is responsible for banking for expatriates, will work closely with the domestic branch network.

BANK OF AFRICA has also developed, since the 1980s, sizeable operations in the African market following the restructuring of Banque de Développement du Mali, the country's leading bank, in which it has a 32.4% stake.

Similarly, in 2003, in Congo Brazzaville, BANK OF AFRICA acquired a 25% stake in La Congolaise de Banque 37% as of December 31st, 2015 which it restructured, resulting in it becoming the undisputed market leader in its industry.

BANK OF AFRICA's development accelerated in 2008 following the acquisition of a 35% stake in BOA Group which has operations in 18 countries. BANK OF AFRICA has since increased its stake in the pan-African bank to 73%.



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BANK OF AFRICA BMCE GROUP STATUTORY AUDITORS' LIMITED REVIEW CERTIFICATE RELATING TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

We have conducted a limited review of the interim financial statements of BANK OF AFRICA BMCE GROUP and its subsidiaries (BANK OF AFRICA Group – BMCE GROUP), comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in shareholders' equity and a selection of explanatory notes for the period from 1 January to 30 June 2021. The interim financial statements show consolidated shareholders' equity of MAD 27,993,841 K, including consolidated net income of MAD 1,674,149 K. These interim financial statements were drawn up by the Board of Directors 24 September 2021 against the evolving backdrop of the COVID-19 pandemic based on information available at that time.

We conducted our limited review in accordance with the professional standards applicable in Morocco. These standards require that the limited review is planned and conducted so as to obtain reasonable assurance that the interim consolidated financial statements are free from material misstatement. A limited review consists primarily of discussions with the company's staff and analytical checks of financial data; it therefore provides a lower level of assurance than an audit. We have not conducted an audit and, as a result, are not therefore able to express an audit opinion.

BANK OF AFRICA S.A has a stock of non-operating real estate assets, acquired by dation-in-payment, totalling MAD 4.7 billion at 30 June 2021. Given the risks inherent in these real estate assets and, in particular, uncertainty surrounding their net realisable value and the period of time required to dispose of them, we are unable to express an opinion as to the value of these assets at 30 June 2021.

Based on our limited review and, except for the possible effects of the matter described above, we have not identified any issues that might lead us to think that the attached consolidated financial statements do not give a true and fair view of the income from operations and of the consolidated financial position and assets of BANK OF AFRICA Group - BMCE GROUP at 30 June 2021, in accordance with international accounting standards (IAS/IFRS).

Without in any way wishing to call into question the conclusion expressed above, we draw your attention to the appended note regarding the effects of the COVID-19 pandemic on the Group's interim financial statements at 30 June 2021.

Casablanca, 24 September 2021

Statutory auditors



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I. CONSOLIDATED BALANCE SHEET, CONSOLIDATED INCOME STATEMENT, STATEMENT OF NET INCOME, STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, CHASH FLOW STATEMENT AND SUMMARY OF ACCOUNTING POLICIES

1.1. CONSOLIDATED BALANCE SHEET

The consolidated financial statements at 30 June 2021 were approved by the board of directors on 24 September 2021.

ASSETS UNDER IFRS	Note	30/06/21	31/12/20
Cash and balances at central banks, the Public treasury and postal cheque centre	4.1	10 774 903	16 291 624
Financial assets at fair value through profit or loss		-	-
- Financial assets held for trading purposes	4.2	36 599 846	29 529 201
- Financial assets at fair value through profit or loss	4.2	781 067	774 086
Derivative hedging instruments		-	-
Financial assets at fair value through other comprehensive income		-	-
- Debt instruments at fair value through other comprehensive income (recyclable)	4.3	1 534 521	1 222 818
- Equity instruments at fair value through other comprehensive income (non-recyclable)	4.3	4 830 144	4 642 101
Securities at amortised cost	4.4	43 791 038	37 324 605
Loans and advances to credit and similar institutions at amortised cost	4.5	23 657 052	22 392 263
Loans and advances to customers at amortised cost	4.5	193 652 037	194 166 699
Revaluation adjustment for portfolios hedged against interest rate risk		-	-
Financial investments from insurance operations		-	-
Current tax assets	4.8	850 270	797 935
Deferred tax assets	4.8	2 029 824	2 083 871
Prepayments, accrued income and other assets	4.9	7 465 931	6 751 532
Non-current assets held for sale		-	-
Investments in companies accounted for using the equity method	4.10	947 002	962 952
Investment property	4.11	3 670 286	3 684 810
Property, plant and equipment	4.11	9 003 002	8 945 178
Intangible assets	4.11	1 158 829	1 310 012
Goodwill	4.12	1 032 114	1 032 114
TOTAL ASSETS UNDER IFRS		341 777 866	331 911 802

(In thousand MAD)

LIABILITIES UNDER IFRS	Note	30/06/21	31/12/20
Amounts due to central banks, the Public treasury and postal cheque centre		-	-
Financial liabilities measured using the fair value option through profit or loss		-	-
- Financial liabilities held for trading purposes		-	-
- Financial liabilities at fair value through profit or loss		-	-
Derivative hedging instruments		-	-
Debt securities issued	4.7	13 670 329	14 111 265
Amounts due to credit and similar institutions	4.5	62 767 037	59 960 481
Amounts due to customers	4.6	213 024 291	207 086 841
Revaluation adjustment on portfolios hedged against interest rate risk		-	-
Current tax liabilities	4.8	1 095 882	877 982
Deferred tax liabilities	4.8	1 144 167	1 258 073
Accruals, deferred income and other liabilities	4.9	11 151 167	9 634 263
Liabilities related to non-current assets held for sale		-	-
Liabilities under insurance contracts		-	-
Provisions	4.13	1 435 605	1 407 895
Subsidies - public funds and special guarantee funds		-	-
Subordinated debt	4.6	9 495 548	9 594 473
TOTAL LIABILITIES		313 784 025	303 931 273
Shareholders' equity			
Share capital and related reserves		19 278 450	19 624 631
Consolidated reserves		-	-
- Attributable to shareholders of the parent company		1 636 286	1 587 064
- Non-controlling interests		4 339 267	4 283 718
Gains and losses recognised directly in equity		-	-
- Attributable to shareholders of the parent company		569 555	609 900
- Non-controlling interests		496 134	511 398
Net income for the period		-	-
- Attributable to shareholders of the parent company		1 194 622	737 832
- Non-controlling interests		479 527	625 987
TOTAL CONSOLIDATED SHAREHOLDERS' EQUITY		27 993 841	27 980 530
TOTAL LIABILITIES UNDER IFRS		341 777 866	331 911 802

(In thousand MAD)

1.2. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT UNDER IFRS	Note	30/06/21	30/06/20
Interest and similar income		7 406 634	7 711 140
Interest and similar expenses		-2 149 240	-2 638 227
Net interest income	2,1	5 257 394	5 072 913
Fees received		1 525 216	1 464 602
Fees paid		-192 349	-238 501
Fee income	2,2	1 332 867	1 226 101
Net gains or losses resulting from net hedging positions		-	-
Net gains or losses on financial instruments at fair value through profit or loss	2,3	297 638	383 582
Net gains or losses on trading assets/liabilities		266 461	361 955
Net gains or losses on other assets/liabilities at fair value through profit or loss		31 177	21 627
Net gains or losses on financial instruments at fair value through other comprehensive income	2,4	189 438	192 267
Net gains or losses on debt instruments through other comprehensive income		-	-
Remuneration of equity instruments (dividends) through other comprehensive income (non-recyclable)		189 438	192 267
Net gains or losses from the derecognition of financial assets at amortised cost		-	-
Net gains or losses from reclassifying financial assets at amortised cost as financial assets at fair value through profit or loss		-	-
Net gains or losses from reclassifying financial assets through other comprehensive income as financial assets at fair value through profit or loss		-	-
Net income from insurance activities		-	-
Net income from other activities	2,5	499 134	380 225
Expenses from other activities	2,5	-281 250	-215 547
Net banking income		7 295 221	7 039 541
General operating expenses	2,6	-3 404 139	-4 282 369
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2,6	-492 876	-485 368
Gross operating income		3 398 206	2 271 804
Cost of risk		-1 285 807	-1 462 072
Operating income		2 112 399	809 732
Share of earnings of companies accounted for using the equity method		72 102	56 662
Net gains or losses on other assets	2,7	9 558	41 605
Changes in value of goodwill		-	-
Pre-tax income		2 194 059	907 999
Corporate income tax	2,8	-519 910	-50 024
Income net of tax from discontinued operations		-	-
Net income		1 674 149	857 975
Non-controlling interests		479 527	484 951
Net income attributable to shareholders of the parent company		1 194 622	373 024

(In thousand MAD)

1.3. STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	CHANGES IN EQUITY 30/06/2021							
	Share Capital	Reserves related to stock	Treasury stock	Reserves & consolidated earnings	Unrealised or deferred gains or losses	Shareholder's Equity attributable to parent	Non-controlling interests	Total
Ending balance of adjusted Shareholder's Equity 12.31.2019	1 998 205	16 474 864	0	4 461 090	-446 253	22 487 906	5 308 196	27 796 102
Change in the accounting methods								
Beginning Balance of Shareholder's Equity 01.01.2020	1 998 205	16 474 864	0	4 461 090	-446 253	22 487 906	5 308 196	27 796 102
Operations on capital	57 861	1 093 701		-1 093 701		57 861		57 861
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-255 802		-255 802	-502 837	-758 639
Net Income				737 832		737 832	625 986	1 363 818
Changes in assets and liabilities recognised directly in equity					-14 730	-14 730		-14 730
Transfer to earnings					54 597	54 597	33 724	88 321
Unrealized or deferred gains or losses	0	0	0	0	39 867	39 867	33 724	73 591
Change in the scope of consolidation						0		0
Others				-508 237		-508 237	-43 967	-552 204
Ending balance of Shareholder's Equity 12.31.2020	2 056 066	17 568 565	0	3 341 182	-406 386	22 559 427	5 421 103	27 980 530
Comptabilisation des pertes de crédit attendues (sur instruments financiers)								
Beginning balance of Shareholder's Equity 01.01.2021	2 056 066	17 568 565	0	3 341 182	-406 386	22 559 427	5 421 103	27 980 530
Operations on capital		-346 181		346 181		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-1 028 033		-1 028 033	-514 254	-1 542 287
Net Income				1 194 622		1 194 622	479 527	1 674 149
Changes in assets and liabilities recognised directly in equity					-5 437	-5 437	-38	-5 475
Transfer to earnings					-80 591	-80 591	-57 805	-138 396
Unrealized or deferred gains or losses	0	0	0	0	-86 028	-86 028	-57 843	-143 871
Change in the scope of consolidation						0		0
Others				38 926		38 926	-13 605	25 321
Ending balance of Shareholder's Equity 30.06.2021	2 056 066	17 222 384	0	3 892 878	-492 414	22 678 913	5 314 928	27 993 841

1.4 STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY

	30/06/21	31/12/20
Net income	1 674 149	1 363 819
Gains or losses recognised directly in other comprehensive income that will be subsequently reclassified under profit or loss	-138 395	142 651
Exchange differences	-138 395	142 651
Financial assets at fair value through other comprehensive income (recyclable)		
<i>Revaluation adjustments</i>		
Gains or losses recognised directly in other comprehensive income that will not be subsequently reclassified under profit or loss	-5 476	-81 976
Actuarial gains or losses on defined benefit plans		
Items recognised at fair value through other comprehensive income (non-recyclable)	-5 476	-81 976
Share of gains or losses recognised directly through other comprehensive income of companies accounted for using the equity method		
Total gains or losses recognised directly in other comprehensive income	-143 871	60 676
Net income and gains or losses recognised directly through other comprehensive income	1 530 278	1 424 494
Attributable to shareholders of the parent company	1 108 593	733 603
Non-controlling interests	421 684	690 891

(In thousand MAD)

1.5. CASH FLOW STATEMENTS AS OF JUNE 30, 2021

	NOTE	30/06/21	31/12/20
Net Income Before Tax		2 194 060	1 877 347
+/- Net depreciation/amortization expense on property, plant, and equipment and intangible assets	2,6	493 877	954 340
+/- Impairment of goodwill and other non- current assets		-	
+/- Impairment of financial assets	2,7	6 561	190 303
+/- Net allowances for provisions	2,7	1 000 369	2 196 280
+/- Share of earnings in subsidiaries accounted for by equity method	4.10	-63 102	-59 700
+/- Net loss (income) from investing activities		-271 192	-592 445
+/- Net loss (income) from financing activities		-	
+/- Other movements		-712 312	74 622
Non monetary items included in pre-tax net income and other adjustments		454 200	2 763 400
+/- Cash flows related to transactions with credit institutions		-3 826 397	10 498 337
+/- Cash flows related to transactions with customers		6 606 233	-8 189 863
+/- Cash flows related to transactions involving other financial assets and liabilities		-15 236 345	-3 105 869
+/- Cash flows related to transactions involving non financial assets and liabilities		2 502 963	-2 344 868
+/- Taxes paid		-326 665	-1 111 654
Net Decrease / (increase) in assets and liabilities from operating activities		-10 280 210	-4 253 917
Net Cash Flows from Operating Activities		-7 631 950	386 829
+/- Cash Flows related to financial assets and equity investments		555 041	-268 892
+/- Cash flows related to investment property		-2 551	176 889
+/- Cash flows related to PP&E and intangible assets		-810 667	-32 510
Net Cash Flows from Investing Activities		-258 177	-124 513
+/- Cash flows related to transactions with shareholders		890 513	-657 011
+/- Cash flows generated by other financing activities		-266 639	-2 274 578
Net Cash Flows from Financing Activities		623 874	-2 931 589
Effect of movements in exchange rates on cash and equivalents		-305 311	63 473
Net increase/(Decrease) in cash and cash equivalents		-7 571 564	-2 605 799
Net Balance of demand loans and deposits- credit institutions		18 267 870	20 873 669
Loan and loan of cash	4.1	16 291 624	14 450 591
Ending Balance of Cash and Equivalents		1 976 247	6 423 079
Net Balance of cash accounts and accounts with central banks and post office banks		10 696 307	18 267 870
Net Balance of demand loans and deposits- credit institutions	4.1	10 774 903	16 291 624
Loan and loan of cash		-78 596	1 976 247
Net increase in cash and equivalents		-7 571 563	-2 605 799

1.6. SUMMARY OF ACCOUNTING POLICIES APPLIED BY THE GROUP

1.6.1. Applicable accounting standards

The Group's first consolidated financial statements to be prepared in accordance with international accounting standards (IFRS) were those for the period ended 30 June 2008 with an opening balance on 1st January 2007.

The Group's consolidated financial statements have been prepared in accordance with international accounting standards (International Financial Reporting Standards - IFRS), as approved by the IASB.

The Group has not opted for early adoption of the new standards, amendments and interpretations adopted by the IASB where retrospective application is permitted.

1.6.2. Consolidation principles

a. Scope of consolidation

The scope of consolidation includes all Moroccan and foreign entities in which the Group directly or indirectly holds a stake.

The Group includes within its scope of consolidation all entities, whatever their activity, in which it directly or indirectly holds 20% or more of existing or potential voting rights. In addition, it consolidates entities if they meet the following criteria:

- The subsidiary's total assets exceed 0.5% of the parent company's;
- The subsidiary's net assets exceed 0.5% of the parent company's;
- The subsidiary's banking income exceeds 0.5% of the parent company's ;
- "Cumulative" thresholds which ensure that the combined total of entities excluded from the scope of consolidation does not exceed 5% of the consolidated total.

b. Consolidation methods

The method of consolidation adopted (fully consolidated or accounted for under the equity method) will depend on whether the Group has full control, joint control or exercises significant influence.

At 30 June 2021, no Group subsidiary was jointly controlled.

c. Consolidation rules

The consolidated financial statements are prepared using uniform accounting policies for reporting like transactions and other events in similar circumstances.

Elimination of intragroup balances and transactions

Intragroup balances arising from transactions between

consolidated companies, and the transactions themselves, including income, expenses and dividends, are eliminated. Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired.

Translation of financial statements prepared in foreign currencies

The Group's consolidated financial statements are prepared in dirhams. The financial statements of companies whose functional currency is not the dirham are translated using the closing rate method. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expenditures are translated at the average rate for the period.

d. Business combinations and measurement of goodwill

Cost of a business combination

The cost of a business combination is measured as the aggregate fair value of assets acquired, liabilities incurred or assumed and equity instruments issued by the acquirer in consideration for control of the acquired company. Costs attributable to the acquisition are recognised through income.

Allocating the cost of a business combination to the assets acquired and liabilities incurred or assumed

The Group allocates, at the date of acquisition, the cost of a business combination by recognising those identifiable assets, liabilities and contingent liabilities of the acquired company which meet the criteria for fair value recognition at that date.

Any difference between the cost of the business combination and the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised under goodwill.

Goodwill

At the date of acquisition, goodwill is recognised as an asset. It is initially measured at cost, that is, the difference between the cost of the business combination over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities.

The Group has adopted from 2012 the "full goodwill" method for new acquisitions. This method consists of measuring goodwill based on the difference between the cost of the business combination and minority interests over the fair value of the identifiable assets, liabilities and contingent liabilities.

It is worth noting that the Group has not restated business combinations occurring before 1 January 2008, the date of first-time adoption of IFRS, in accordance with IFRS 3 and as permitted under IFRS 1.

Measurement of goodwill

Following initial recognition, goodwill is measured at cost less cumulative impairment.

In accordance with IAS 36, impairment tests must be conducted whenever there is any indication of impairment that a unit may be impaired and at least once a year to ensure that the goodwill recognised for each CGU does not need to be written down.

The recoverable amount of a cash-generating unit is the higher of the net fair value of the unit and its value in use.

Fair value is the price that is likely to be obtained from selling the CGU in normal market conditions.

Value in use is based on an estimate of the current value of future cash flows generated by the unit's activities as part of the Bank's market activities:

- If the subsidiary's recoverable amount is more than the carrying amount, then there is no reason to book an impairment charge;
- If the subsidiary's recoverable amount is less than the carrying amount, the difference is recognised as an impairment charge. It will be allocated to goodwill as a priority and subsequently to other assets on a pro-rata basis.

The Bank has employed a variety of methods for measuring CGU value in use depending on the subsidiary. These methods are based on assumptions and estimates:

- A revenue-based approach, commonly known as the "dividend discount model", is a standard method used by the banking industry. The use of this method depends on the subsidiary's business plan and will value the subsidiary based on the net present value of future dividend payments. These flows are discounted at the cost of equity.
- The "discounted cash flow method" is a standard method for measuring firms in the services sector. It is based on discounting available cash flows at the weighted average cost of capital.

Step acquisitions

In accordance with revised IFRS 3, the Group does not calculate additional goodwill on step acquisitions once control has been obtained.

In particular, in the event that the Group increases its percentage interest in an entity which is already fully consolidated, the difference at acquisition date between the cost of acquiring the additional share and share already acquired in the entity is recognised in the Group's consolidated reserves.

1.6.1.2. Financial assets and liabilities

a. Loans and receivables

Loans and receivables include credit provided by the Group.

Loans and receivables are initially measured at fair value or equivalent, which, as a general rule, is the net amount disbursed at inception including directly attributable origination costs and certain types of fees or commission (syndication commission, commitment fees and handling charges) that are regarded as an adjustment to the effective interest rate on the loan.

Loans and receivables are subsequently measured at amortised cost. The income from the loan, representing interest plus transaction costs and fees and commission included in the initial value of the loan, is calculated using the effective interest method and taken to income over the life of the loan.

b. Securities

Classification of securities

IFRS 9 replaces the classification and valuation models for financial assets provided for in IAS 39 by a model comprising only 3 accounting categories :

- Depreciated cost;
- Fair value through equity: changes in fair value of the financial instrument are impacted in «other items of the comprehensive income» («fair value by OCI»);
- Fair value through profit or loss: changes in the fair value of the instrument are impacted in net income.

The classification of a financial asset in each category is based on:

- business model defined by the company
- and the characteristics of its contractual cash flows (the «cash flow» criterion) solely payments of principal and interest», or «SPPI»).

The management methods relate to the way the company manages its financial assets in order to generate cash flows and create cash flow and value. The business model is specified for an asset portfolio and does not constitute an intention on a case-by-case basis for an individual financial asset.

IFRS 9 distinguishes three management models:

- The collection of contractual cash flows, the business model «Collection»;
- The collection of contractual flows and the sale of assets, the model of management « Collection and Sale »;
- Other management intentions, i.e. the «Other / Sale» management model.

The second criterion («SPPI» criterion) is analysed at the contract level. The test is satisfied when the funding is only eligible for reimbursement of the principal and when the payment of interest received reflects the value of the time of money, credit risk associated with the instrument, other costs and risks of a traditional loan agreement as well as a reasonable margin, whether the interest rate is fixed or variable.

The criteria for classifying and measuring financial assets depend on the nature of the financial asset, as qualified:

- debt instruments (i.e. loans and fixed or determinable income securities)

; or

- equity instruments (i.e. shares).

The classification of a debt instrument in one of the asset classes is a function of the management model applied to it by the company and the characteristics of the contractual cash flows of the instrument (SPPI criterion). Debt instruments that respond to the SPPI criterion and the «Collection» management model are classified as follows amortised cost. If the SPPI criterion is verified but the business model is the collection and sale, the debt instrument is classified at fair value by equity (with recycling). If the SPPI criterion is not verified and the business model is different, the debt instrument is classified as fair value value by result.

Under IFRS 9, equity instruments held by (stocks) are:

- always measured at fair value through profit or loss,

- except those not held for trading for which the standard allows the irrevocable election to be made at the time of recognition of each financial asset, to recognise it at fair value by counterpart of other comprehensive income (fair value through profit or loss OCI), with no possibility of recycling by result. Assets classified in this category will not be depreciated. In the event of a transfer, these changes are not recycled to the income statement, the gain or loss on disposal is recognised in shareholders' equity. Only dividends are recognised in result.

IFRS 9 provides for models for classifying and measuring financial liabilities according to 3 accounting categories:

- financial liability at amortised cost;

- financial liability at fair value through profit or loss;

- financial liability at fair value through profit or loss on option.

On the initial recognition date, a financial liability may be designated, on irrevocable option, at fair value through profit or loss:

- under certain conditions when the liability contains embedded derivatives

; or

- if this leads to more relevant information as a result of the elimination or the significant reduction of a distortion of accounting treatment (« mismatch»); or

- whether the liabilities are managed with other financial instruments that are measured and managed at fair value in accordance with an investment policy or risk management and that information is communicated on this to key management personnel within the meaning of IAS 24.

In addition, for these liabilities, the standard allows for the recognition of the change in fair value attributable to the change in credit risk in other comprehensive income. However, this processing is only possible to the extent that it does not contribute to creating or aggravate an accounting mismatch

Dividends received on variable-income securities are presented in the aggregate "Remuneration of equity instruments recognised as non-recyclable equity instruments" when the Group's right to receive them is established.

Temporary acquisitions and sales

Repurchase agreements

Securities subject to repurchase agreements are recorded in the Group's balance sheet in their original category.

The corresponding liability is recognised in the under "Borrowings" as a liability on the balance sheet.

Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group's balance sheet. The corresponding receivable is recognised under "Loans and receivables".

Securities lending and borrowing transactions

Securities lending transactions do not result in de-recognition of the lent securities while securities borrowing transactions result in recognition of a debt on the liabilities side of the Group's balance sheet.

Date of recognition of securities transactions

Securities recognised at fair value through income or classified under held-to-maturity or available-for-sale financial assets are recognised at the trade date.

Regardless of their classification (recognised as loans and receivables or debt), temporary sales of securities as well as sales of borrowed securities are initially recognised at the settlement date.

These transactions are carried on the balance sheet until the Group's rights to receive the related cash flows expire or until the Group has substantially transferred all the risks and rewards related to ownership of the securities.

c. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the relevant Group entity at the closing rate. Translation differences are recognised in the income statement, except for those arising from financial instruments earmarked as a cash flow hedge or a net foreign currency investment hedge, which are recognised in shareholders' equity.

d. Impairment and restructuring of financial assets

IFRS 9 introduces a new model for the recognition of impairment of financial assets based on expected credit losses. This model represents a change from the IAS 39 model that is based on proven credit losses.

Under IFRS 9, the portfolio is segmented into three Buckets in using the notion of significant degradation from the beginning:

- Bucket 1» consists of all sound financial assets that do not or not significantly degraded since the beginning and for which it will be calculated an expected credit loss within 1 year.

- Bucket 2» includes assets for which the credit risk has significantly increased since the beginning. A credit loss must then be calculated over the remaining useful life of the asset, or residual maturity.

- «Bucket 3» corresponds to all assets in default or those for which credit quality will deteriorate to the point that the recoverability of the is threatened. Bucket 3 corresponds to the scope of the provision under IAS 39. The entity recognises a demonstrated credit loss at maturity. Thereafter, if the conditions for the classification of instruments financial instruments in bucket 3 are no longer respected, these instruments are reclassified as bucket 2 and then as bucket 1 depending on the improvement of credit risk quality.

The definition of default is consistent with the one outlined in Circular 19G with a rebuttable assumption of default occurring when amounts are no later than 90 days past due.

The definition of default is used consistently to assess whether there is an increase in credit risk and to measure expected credit losses.

The monitoring of risk degradation is based on the monitoring systems of the internal risks, including in particular the monitoring of receivables and unpaid bills.

The significant increase in credit risk may be assessed on an individual or collective basis (by grouping together financial instruments based on common credit risk characteristics), taking into account all reasonable and supportable information and comparing the risk of default of the financial instrument at the reporting date with the risk of

default of the financial instrument at the date of initial recognition.

Each instrument is assessed to ascertain whether there has been a significant increase in credit risk based on indicators and thresholds that vary depending on the kind of exposure and counterparty type.

A financial asset is also considered to have undergone a significant increase in credit risk if one or more of the following criteria are met:

- Financial asset placed on the watchlist
- Reorganised due to payment difficulties, although not defaulting
- Past-due event
- There are material adverse changes in the borrower's economic, commercial or financial operating environment
- Risks of financial difficulties have been identified, etc.

In order to compensate for the fact that some factors or indicators may not be available at a financial instrument level, on an individual basis, the standard allows for the entity to carry out an assessment as to whether there has been a significant increase in credit risk on appropriate groups or portions of a portfolio of financial instruments.

Shared credit risk characteristics may be used to constitute portfolios for the purpose of carrying out an assessment as to whether there has been a significant increase in credit risk on a collective basis. Shared credit risk characteristics include instrument type, credit risk ratings, collateral type, date of initial recognition, remaining term to maturity, industry, the borrower's geographical location, the value of the collateral relative to the financial asset if it has an impact on the probability of default occurring (for example, non-recourse loans in some countries, or on loan-to-value ratios), the distribution channel, the reason for raising finance, etc..

Expected credit losses are defined as being an estimate of credit losses weighted by the probability of their occurring over the financial instrument's expected lifetime. They are measured on an individual basis, for each exposure.

The calculation of impairment losses is based on three main criteria:

Probabilities of Default (PD)

The Probability of Default (PD) is the likelihood of a borrower defaulting on its financial obligations over the subsequent 12 months (1-year PD) or over the contract's remaining maturity (lifetime PD). The PD is the probability of a borrower defaulting over a particular time horizon 't'. The PD used to estimate expected losses according to IFRS 9 is calculated for each homogeneous risk class.

For financial assets that are in 'Bucket 1' (i.e. healthy, non-

sensitive), a 12-month PD is calculated i.e. the probability of default occurring in the 12 months following the reporting date.

For financial assets in 'Bucket 2' (i.e. healthy, sensitive), a PD to maturity is calculated. And, by definition, financial assets in 'Bucket 3' (i.e. defaulting) have a PD of 1.

In order to calculate the 1-year PD for a given loan, BANK OF AFRICA has divided the portfolios' loans into homogeneous risk classes that are segmented on the basis of external ratings or delinquency classes.

Lifetime PDs are calculated by applying rating migration matrices to 1-year PDs, the latter resulting from external credit rating systems or delinquency classes. Rating migration matrices are determined by modelling, for each portfolio, how defaults develop between the date of initial recognition and a contract's maturity. Rating migration matrices are developed on the basis of statistical observations.

Loss Given Default (LGD)

The Loss Given Default (LGD) is the expected credit loss as a percentage of the exposure at default. The Loss Given Default is expressed as a percentage of EAD and is calculated using Global Recovery Rates (GRRs). GRRs are assessed by homogeneous risk class for a certain type of collateral based on historical recovery rates.

For sizeable loans in difficulty, if statistical modelling is not possible (limited number of observations, special characteristics, etc.), the expected future recoverable flows are estimated by the Group's recovery subsidiary. The LGD is the difference between the contractual cash flows and the estimated expected cash flows (including principal and interest).

Exposure At Default (EAD)

It is based on the amount to which the Group expects to be actually exposed at the time of default, either over the subsequent 12 months or over the remaining period to maturity.

The Group draws on existing concepts and systems to set these parameters. Expected credit losses on financial instruments are measured as the product of these three parameters.

Under IFRS 9, recognition of expected credit losses is based on forward-looking macroeconomic conditions.

The parameters are adjusted after factoring in the prevailing economic conditions based on macroeconomic research provided by in-company industry experts. As a result of this research and the expert opinion provided, PDs may be revised (upwards or downwards depending on the outlook) over a three-year horizon. The inclusion of other macroeconomic indicators is currently being phased in.

The organisational and management approach used to determine these scenarios is the same as that adopted for the budgeting process. These are reviewed annually based on suggestions from the economic research team and are validated by the General Management Committee.

For securities (which are overwhelmingly sovereign securities), the calculation of the depreciation is determined according to the following principles:

- When acquiring shares: all shares are considered as part of Bucket 1 regardless of the issuer's rating,
- In subsequent evaluations:
- In the event of a downgrade of the issuer's rating, the security changes to bucket 2
- On the basis of credit losses proven to be at maturity if the counterparty is in default - Bucket 3

Forbearance

The Bank complies with IFRS requirements in matters of forbearance agreements, particularly with regard to discounts applied to restructured loans. The amount deducted is recognised under cost of risk. If the restructured loan is subsequently reclassified as a performing loan, it is reinstated under net interest income over the remaining term of the loan.

Restructuring of assets classed as "Loans and receivables"

An asset classified in "Loans and receivables" is considered to be restructured due to the borrower's financial difficulty when the Group, for economic or legal reasons related to the borrower's financial difficulty, agrees to modify the terms of the original transaction that it would not otherwise consider, resulting in the borrower's contractual obligation to the Group, measured at present value, being reduced compared with the original terms.

At the time of restructuring, a discount is applied to the loan to reduce its carrying amount to the present value of the new expected future cash flows discounted at the original effective interest rate.

The Decrease in the asset value is recognised through income under "Cost of risk".

For each loan, the discount is recalculated at the renegotiation date using original repayment schedules and renegotiation terms.

The discount is calculated as the difference between :

- The sum, at the renegotiation date, of the original contractual repayments discounted at the effective interest rate; and
- The sum, at the renegotiation date, of the renegotiated contractual repayments discounted at the effective interest rate. The discount, net of amortisation, is

recognised by reducing loan outstandings through income. Amortisation will be recognised under net banking income.

e. Issues of debt securities

Financial instruments issued by the Group are qualified as debt instruments if the Group company issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The same applies if the Group is required to exchange financial assets or liabilities with another entity on terms that are potentially unfavourable to the Group, or to deliver a variable number of the Group's treasury shares.

In the Group's case, this concerns certificates of deposit issued by Group banks such as BANK OF AFRICA SA, BOA Group as well as notes issued by finance companies MAGHREBAIL and SALAFIN.

f. Treasury shares

The term "treasury shares" refers to shares of the parent company, BANK OF AFRICA SA and its fully consolidated subsidiaries.

"Treasury shares" refer to shares issued by the parent company, BANK OF AFRICA SA, or by its fully consolidated subsidiaries. Treasury shares held by the Group are deducted from consolidated shareholders' equity regardless of the purpose for which they are held. Gains and losses arising on such instruments are eliminated from the consolidated income statement.

As of June 30th, 2021, the Group does not hold any treasury shares.

g. Derivative instruments

All derivative instruments are recognised in the balance sheet on the trade date at the trade price and are re-measured to fair value on the balance sheet date.

Derivatives held for trading purposes are recognised "Financial assets at fair value through income" when their fair value is positive and in "Financial liabilities at fair value through income" when their fair value is negative.

Realised and unrealised gains and losses are recognised in the income statement under "Net gains or losses on financial instruments at fair value through income".

h. Fair value measurement of own credit default risk (DVA) / counterparty risk (CVA)

Since the value of derivative products has not been material until now, the Bank will continue to monitor the extent to which this factor is significant in order to take into consideration fair value adjustments relating to its own credit default risk (DVA) / counterparty risk (CVA).

i. Determining the fair value of financial instruments

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial assets classified under "Financial assets at fair value through income" and "Available-for-sale financial assets" are measured at fair value.

Fair value in the first instance relates to the quoted price if the financial instrument is traded on a liquid market.

If no liquid market exists, fair value is determined by using valuation techniques (internal valuation models as outlined in Note 4.15 on fair value).

Depending on the financial instrument, these involve the use of data taken from recent arm's length transactions, the fair value of substantially similar instruments, discounted cash flow models or adjusted book values.

Characteristics of a liquid market include regularly available prices for financial instruments and the existence of real arm's length transactions.

Characteristics of an illiquid market include factors such as a significant Decline in the volume and level of market activity, a significant variation in available prices between market participants or a lack of recent observed transaction prices.

j. Income and expenses arising from financial assets and liabilities

The effective interest rate method is used to recognise income and expenses arising from financial instruments, which are measured at amortised cost.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the asset or liability in the balance sheet. The effective interest rate calculation takes into account all fees received or paid that are an integral part of the effective interest rate of the contract, transaction costs, and premiums and discounts.

k. Cost of risk

"Cost of risk" includes impairment provisions net of write-backs and provisions for credit risk, losses on irrecoverable loans and amounts recovered on amortised loans as well as provisions and provision write-backs for other risks such as operating risks.

l. Offsetting financial assets and liabilities

A financial asset and a financial liability are offset and the net amount presented in the balance sheet if, and only if, the Group has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.6.1.3. Property plant and equipment and intangible assets

a. Property, plant and equipment

The Group has opted for the cost model to measure property, plant and equipment and intangible assets.

It is worth noting that, in application of the option provided under IFRS 1, the Group has chosen to measure certain items of property, plant and equipment at the transition date at their fair value and use this fair value as deemed cost at this date.

In accordance with IAS 23, borrowing costs directly attributable to the acquisition are included in the acquisition cost of items of property, plant and equipment.

As soon as they are available for use, items of property, plant and equipment are amortised over the asset's estimated useful life.

Given the character of the Group's property, plant and equipment, it has not adopted any residual value except for transport equipment owned by LOCASOM, a subsidiary.

In respect of the Group's other assets, there is neither a sufficiently liquid market nor a replacement policy over a period that is considerably shorter than the estimated useful life for any residual value to be adopted.

This residual value is the amount remaining after deducting from the acquisition cost all allowable depreciable charges.

Given the Group's activity, it has adopted a component-based approach for property. The option adopted by the Group is a component-based amortised cost method by applying using a component-based matrix established as a function of the specific characteristics of each of the Group's buildings.

Component-based matrix adopted by BANK OF AFRICA

	Head office property		Other property	
	Period	Share	Period	Share
Structural works	80	55%	80	65%
Façade	30	15%		
General & technical installations	20	20%	20	15%
Fixtures and fittings	10	10%	10	20%

Impairment

The Group has deemed that impairment is only applicable to buildings and, as a result, the market price (independently-assessed valuation) will be used as evidence of impairment.

b. Investment property

IAS 40 defines investment property as property held to earn rentals or for capital appreciation or both. An investment property generates cash flows that are largely independent from the company's other assets in contrast to property primarily held for use in the production or supply of goods or services.

The Group qualifies investment property as any non-operating property.

The Group has opted for the cost method to value its investment property. The method used to value investment property is identical to that for valuing operating property.

In accordance with the requirements of paragraph 79(e) of IAS 40, the Group has investment properties whose acquisition cost is deemed to be substantially material valued by external surveyors at each balance sheet date (cf. 4.15 on fair value).

c. Intangible assets

Intangible assets are initially measured at cost which is equal to the amount of cash or cash equivalent paid or any other consideration given at fair value to acquire the asset at the time of its acquisition or construction.

Subsequent to initial recognition, intangible assets are measured at cost less cumulative amortisation and impairment losses.

The amortisation method adopted reflects the rate at which future economic benefits are consumed.

Impairment is recognised when evidence (internal or external) of impairment exists. Evidence of impairment is assessed at each balance sheet date.

Given the character of the intangible assets held, the Group considers that the concept of residual value is not relevant in respect of its intangible assets. As a result, residual value has not been adopted.

1.6.1.4. Leases

Group companies may either be the lessee or the lessor in a lease agreement.

Leases contracted by the Group as lessor are categorised as either finance leases or operating leases.

a. Lessor accounting

Finance leases

In a finance lease, the lessor transfers the substantial portion of the risks and rewards of ownership of an asset to the lessee. It is treated as a loan made to the lessee to finance the purchase of the asset.

The present value of the lease payments, plus any residual value, is recognised as a receivable.

The net income earned from the lease by the lessor is equal to the amount of interest on the loan and is taken to the income statement under “Interest and other income”. The lease payments are spread over the lease term and are allocated to reducing the principal and to interest such that the net income reflects a constant rate of return on the outstanding balance. The rate of interest used is the rate implicit in the lease.

Individual and portfolio impairments of lease receivables are determined using the same principles as applied to other loans and receivables.

Operating leases

An operating lease is a lease under which the substantial portion of the risks and rewards of ownership of an asset are not transferred to the lessee.

The asset is recognised under property, plant and equipment in the lessor’s balance sheet and depreciated on a straight-line basis over the lease term. The depreciable amount excludes the asset’s residual value. The lease payments are taken to the income statement in full on a straight-line basis over the lease term.

Lease payments and depreciation expenses are taken to the income statement under “Income from other activities” and “Expenses from other activities”.

b. Lessee accounting

Leases contracted by the Group as lessee are categorised as either finance leases or operating leases.

Finance leases

A finance lease is treated as an acquisition of an asset by the lessee, financed by a loan. The leased asset is recognised in the balance sheet of the lessee at the lower of fair value or the present value of the minimum lease payments calculated at the interest rate implicit in the lease.

A matching liability, equal to the fair value of the leased asset or the present value of the minimum lease payments, is also recognised in the balance sheet of the lessee. The asset is depreciated using the same method as that applied to owned assets after deducting the residual value from the amount initially recognised over the useful life of the asset. The lease obligation is accounted for at amortised cost.

The Operating leases

IFRS 16 ‘Leases’ will supersede IAS 17 from 1 January 2019. It will change the way in which leases are accounted for.

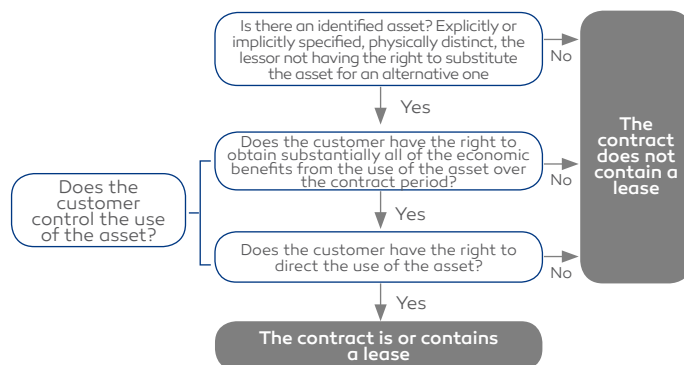
For all lease agreements, the lessee will be required to recognise a right-of-use asset on its balance sheet representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. In its income statement, the lessee will separately recognise the depreciation of the right-of-use asset and the interest expense on the lease liability.

This treatment, which is currently applied by lessees to finance lease transactions, will subsequently be extended to operating leases.

Policies adopted

The transition method chosen by BANK OF AFRICA Group is the modified retrospective approach by which the lease liability is recognised at the present value of remaining lease payments at the time of first-time application (01/01/2019) with a right-of-use asset of an equivalent amount recognised at the same time. Consequently, first-time application of IFRS 16 had no impact on shareholders’ equity.

To identify leases that fall within the scope of this standard, the following criteria shall apply:



The contract does not contain a lease

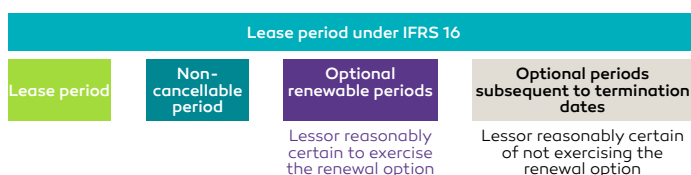
The Group has adopted two simplification measures provided for under IFRS 16 regarding short-term contracts (up to 12 months) and contracts whose underlying assets are of limited value. The IASB recommends a guideline threshold of USD 5,000 or less.

The lease period

The period during which the Group has previously used particular types of property (leased or owned) and the underlying economic reasons thereof have been used to determine whether the group is reasonably certain of exercising an option or not.

The lease periods applied therefore depend on the type of property:

- For commercial leases, a period of 9 years on average has been applied;
- For residential leases, a period of 3 years;
- For leased vehicles, the period applied is that of the contract.



The liability related to the lease is equal to the present value of the lease payments and estimated payments at the end of the contract (early termination penalties if applicable and/or residual value guarantees if applicable).

The rate used to discount these payments is the incremental borrowing rate which is the rate of interest that a lessee would have to pay to borrow over a similar term to that of the lease liability.

1.6.1.5. non-current assets held for sale and discontinued activities

An asset is classified as held for sale if its carrying amount is obtained through the asset's sale rather than through its continuous use in the business.

At 30th June 2021, the Group did not recognise any assets as held for sale or discontinued activities

1.6.2. Employee benefits

Classification of employee benefits

a. Short-term benefits

Short-term benefits are due within twelve months of the close of the financial year in which employees provided the corresponding services. They are recognised as expenses in the year in which they are earned.

b. Defined-contribution post-employment benefits

The employer pays a fixed amount in respect of contributions into an external fund and has no other liability. Benefits received are determined on the basis of cumulative contributions paid plus any interest and are recognised as expenses in the year in which they are earned.

c. Defined-benefit post-employment benefits

Defined-benefit post-employment benefits are those other than defined-contribution schemes. The employer undertakes to pay a certain level of benefits to former employees, whatever the liability's cover. This liability is recognised as a provision.

The Group accounts for end-of-career bonuses as defined-benefit post-employment benefits: these are bonuses paid on retirement and depend on employees' length of service.

d. Long-term benefits

These are benefits which are not settled in full within twelve after the employee rendering the related service. Provisions are recognised if the benefit depends on employees' length of service.

The Group accounts for long-service awards as long-term benefits: these are payments made to employees when they reach 6 different thresholds of length of service ranging from 15 to 40 years.

e. Termination benefits

Termination benefits are made as a result of a Decision by the Group to terminate a contract of employment or a Decision by an employee to accept voluntary redundancy. The company may set aside provisions if it is clearly committed to terminating an employee's contract of employment.

Principles for calculating and accounting for defined-benefit post-employment benefits and other long-term benefits

a. Calculation method

The recommended method for calculating the liability under IAS 19 is the "projected unit credit" method. The calculation is made on an individual basis. The employer's liability is equal to the sum of individual liabilities.

Under this method, the actuarial value of future benefits is determined by calculating the amount of benefits due on retirement based on salary projections and length of service at the retirement date. It takes into consideration variables such as discount rates, the probability of the employee remaining in service up until retirement as well as the likelihood of mortality.

The liability is equal to the actuarial value of future benefits in respect of past service within the company prior to the calculation date. This liability is determined by applying to the actuarial value of future benefits the ratio of length of service at the calculation date to length of service at the retirement date.

The annual cost of the scheme, attributable to the cost of an additional year of service for each participant, is determined by the ratio of the actuarial value of future benefits to the anticipated length of service on retirement.

b. Accounting principles

A provision is recognised under liabilities on the balance sheet to cover for all obligations.

Actuarial gains or losses arise on differences related to changes in assumptions underlying calculations (early retirement, discount rates etc.) or between actuarial assumptions and what actually occurs (rate of return on pension fund assets etc.) constitute.

They are amortised through income over the average anticipated remaining service lives of employees using the corridor method.

The past service cost is spread over the remaining period for acquiring rights.

The annual expense recognised in the income statement under “Salaries and employee benefits” in respect of defined-benefit schemes comprises:

- The rights vested by each employee during the period (the cost of service rendered) ;
- The interest cost relating to the effect of discounting the obligation ;
- The expected income from the pension fund’s investments (gross rate of return);
- The effect of any plan curtailments or settlements.

1.6.3. Share-based payments

The Group offers its employees the possibility of participating in share issues in the form of share purchase plans.

New shares are offered at a discount on the condition that they retain the shares for a specified period.

The expense related to share purchase plans is spread over the vesting period if the benefit is conditional upon the beneficiary’s continued employment.

This expense, booked under “Salaries and employee benefits”, with a corresponding adjustment to shareholders’ equity, is calculated on the basis of the plan’s total value, determined at the allotment date by the Board of Directors.

In the absence of any market for these instruments, financial valuation models are used that take into account performance-based criteria relating to the Bank’s share price. The plan’s total expense is determined by multiplying the unit value per option or bonus share awarded by the estimated number of options or bonus shares acquired at the end of the vesting period, taking into account the conditions regarding the beneficiary’s continued employment.

1.6.4. Provisions recorded under liabilities

Provisions recorded under liabilities on the Group’s balance sheet, other than those relating to financial instruments and employee benefits mainly relate to restructuring, litigation, fines, penalties and tax risks.

A provision is recognised when it is probable that an outflow of resources providing economic benefits will be required to settle an obligation arising from a past event and a reliable estimate can be made about the obligation’s amount. The amount of such obligations is discounted in order to determine the amount of the provision if the impact of discounting is material.

A provision for risks and charges is a liability of uncertain timing or amount.

The accounting standard provides for three conditions when an entity must recognise a provision for risks and charges:

- A present obligation towards a third party ;
- An outflow of resources is probable in order to settle the obligation;
- The amount can be estimated reliably.

1.6.5. Current and deferred taxes

The current income tax charge is calculated on the basis of the tax laws and tax rates in force in each country in which the Group has operations.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base.

A deferred tax liability is a tax which is payable at a future date. Deferred tax liabilities are recognised for all taxable temporary differences other than those arising on initial recognition of goodwill or on initial recognition of an asset or liability for a transaction which is not a business combination and which, at the time of the transaction, has not impacted on profit either for accounting or tax purposes.

A deferred tax asset is a tax which is recoverable at a future date. Deferred tax assets are recognised for all deductible temporary differences and unused carry-forwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

The Group has opted to assess the probability of recovering deferred tax assets.

Deferred taxes assets are not recognised if the probability of recovery is uncertain. Probability of recovery is ascertained by the business projections of the companies concerned.

IFRIC 23 interpretation:

This interpretation is intended to clarify IAS 12 ‘Income taxes’, which contains measures relating to recognition and measurement of current or deferred tax assets or liabilities.

This interpretation deals with income tax-related risks. The interpretation is to be applied to determine income tax-related items when there is uncertainty over income tax treatments by an entity under the applicable tax provisions. Tax risk naturally arises from uncertainty regarding a tax position adopted by the entity that might be questioned by the tax authority.

The interpretation provides a choice of two transition methods as follows:

Full retrospective approach, provided that the company is in possession of the necessary information without taking into account circumstances that have occurred over time; or

Modified retrospective approach, by recognising the cumulative impact under opening shareholders’ equity

for the financial period in which the interpretation is first applied, in which case, the comparative information for the financial period in which the interpretation is first applied is not restated.

The Group opted for the modified retrospective approach in respect of this interpretation by recognising the cumulative impact under opening shareholders' equity at 1 January 2019.

1.6.6. Cash flow statement

The cash and cash equivalents balance is composed of the net balance of cash accounts and accounts with central banks and the net balances of sight loans and deposits with credit institutions.

Changes in cash and cash equivalents related to operating activities reflect cash flows generated by the Group's operations, including cash flows related to investment property, held-to-maturity financial assets and negotiable debt instruments.

Changes in cash and cash equivalents related to investing activities reflect cash flows resulting from acquisitions and disposals of subsidiaries, associates or joint ventures included in the consolidated group, as well as acquisitions and disposals of property, plant and equipment excluding investment property and property held under operating leases.

Changes in cash and cash equivalents related to financing activities reflect the cash inflows and outflows resulting from transactions with shareholders, cash flows related to subordinated debt, bonds and debt securities (excluding negotiable debt instruments).

1.6.7. Use of estimates in the preparation of the financial statements

Preparation of the financial statements requires managers of business lines and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the balance sheet and in the disclosure of information in the notes to the financial statements.

This requires the managers in question to exercise their judgement and to make use of information available at the time of preparation of the financial statements when making their estimates.

The actual future results from operations where managers have made use of estimates may in reality differ significantly from those estimates depending on market conditions. This may have a material impact on the financial statements.

Those estimates which have a material impact on the financial statements primarily relate to:

- Impairment (on an individual or collective basis) recognised to cover credit risks inherent in banking intermediation activities ;

Other estimates made by the Group's management primarily relate to :

- Goodwill impairment tests ;
- Provisions for employee benefits;
- The measurement of provisions for risks and charges.

Health crisis and IFRS 9 impact

BANK OF AFRICA Group's consolidated financial statements are prepared under International Financial Reporting Standards (IFRS).

IFRS 9 has introduced a new model for recognising impairment of financial assets based on expected credit losses. It has introduced a system of classification in 3 stages (buckets 1, 2 and 3) based on a definition of default (bucket 3) and a concept of material deterioration in credit risk (triggering a downgrade from bucket 1 to bucket 2).

The definition of default is consistent with the one defined in Circular 19G, with a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due.

The definition of default is used consistently to assess whether there is an increase in credit risk and to measure expected credit losses.

Risk deterioration is monitored with the help of systems for monitoring internal risks which includes, in particular, monitoring non-performing loans and past due loans.

A material increase in credit risk may be assessed on an individual or collective basis (by grouping together financial instruments based on common credit risk characteristics), taking into account all reasonable and supportable information and comparing the risk of the financial instrument defaulting at the reporting date with the risk of the financial instrument defaulting at the time of initial recognition.

Each instrument is appraised to ascertain whether there has been a material increase in credit risk based on indicators and thresholds that vary, depending on the kind of exposure and counterparty type.

A financial asset is also considered to have undergone a material increase in credit risk if one or more of the following criteria are met:

- Financial asset placed on the watchlist
- Restructured due to repayment difficulties, although not defaulting
- Past-due event
- Material adverse changes in the borrower's economic, commercial or financial operating environment
- Identifiable risks of financial difficulties, etc.

This standard introduces an impairment model which requires that expected credit losses or 'ECLs' are recognised for loans and debt instruments measured at amortised cost or fair value through other comprehensive income with recycling, for loan commitments and financial collateral arrangements not recognised at fair value as well as for receivables resulting from lease agreements and trade receivables. This approach aims to encourage early recognition of expected credit losses.

The expected losses for the various portfolios are calculated based on the three main risk criteria modelled using the available historical data for each portfolio segment: the 'Probability of Default' (PD) over one year or over the asset's lifetime, the 'Loss Given Default' (LGD) and 'Exposure At Default' (EAD). The historical loss method is used, where appropriate, for certain portfolios.

This standard has been designed to be forward looking, reflecting expectations of future credit events at each reporting date. Forward looking scenarios have therefore been incorporated into the ECL calculation models.

As far as the specific context of the 30 June 2021 reporting date is concerned, BANK OF AFRICA – BMCE Group has made a number of adjustments to anticipate, measure and steer the impacts from the current health crisis.

To ensure that the IFRS 9 model adequately takes into account the impact on the domestic economy from the current situation, prospective data and forward-looking scenarios have been revised, by taking into consideration their effects on probabilities of default (PD). This revision is based on the changes made to economic sector ratings.

The estimated impact factors in information available at end of June 2021. It will be updated in light of changes to the economic environment and any additional information available ahead of future reporting dates.

II. NOTES TO THE INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

2.1. NET INTEREST INCOME

includes net interest income (expense) related to customer and interbank transactions, debt securities issued by the Group, the trading portfolio (fixed income securities, repurchase agreements, loan / borrowing transactions and debts securities), and debt instruments.

	30/06/21			30/06/20		
	Income	Expense	Net	Income	Expense	Net
Customer Items	5 191 928	1 271 712	3 920 215	5 359 548	1 363 845	3 995 702
Deposits, loans and borrowings	4 913 774	1 258 432	3 655 341	4 967 428	1 342 176	3 625 251
Repurchase agreements	0	13 280	-13 280	0	21 669	-21 669
Finance leases	278 154	0	278 154	392 120	0	392 120
Interbank Items	320 970	493 931	-172 962	658 003	838 502	-180 499
Deposits, loans and borrowings	315 640	356 745	-41 105	543 327	653 009	-109 682
Repurchase agreements	5 330	137 186	-131 856	114 676	185 493	-70 817
Borrowings issued by the Group		383 596	-383 596		435 879	-435 879
Instruments at fair value through equity			0			0
Debt instruments	1 893 736		1 893 736	1 693 589		1 693 589
TOTAL INTEREST INCOME/(EXPENSE)	7 406 634	2 149 240	5 257 394	7 711 140	2 638 227	5 072 914

(In thousand MAD)

2.2. NET FEE INCOME

	30/06/21			30/06/20		
	Income	Expense	Net	Income	Expense	Net
Net fee on transactions	1 158 205	74 964	1 083 241	1 104 787	91 104	1 013 683
With credit institutions			-			-
With customers	862 911		862 911	790 093		790 093
On custody	101 093	55 439	45 654	92 834	40 900	51 934
On foreign exchange	194 201	19 525	174 676	221 860	50 204	171 656
On financial instruments and off balance sheet			-			-
Banking and financial services	367 011	117 386	249 626	359 815	147 397	212 418
Income from mutual funds management			-			-
Income from electronic payment services	193 026	40 695	152 331	168 661	39 395	129 266
Insurance			-			-
Other	173 986	76 691	97 295	191 154	108 002	83 152
NET FEE INCOME	1 525 216	192 349	1 332 867	1 464 602	238 501	1 226 101

(In thousand MAD)

Net fee income covers fees from interbank market and the money market, customer transactions, securities transactions, foreign exchange transactions, securities commitments, financial transactions derivatives and financial services.

2.3. NET GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH profit or loss

This entry includes all items of income (excluding interest income and expenses, classified under «Net interest income» as described above) relating to financial instruments managed within the trading book.

This covers gains and losses on disposals, gains and losses related to mark-to-market, as well as dividends from variable-income securities.

	30/06/21			30/06/20		
	Trading Book	Assets measured under the fair value option	Total	Trading Book	Assets measured under the fair value option	Total
Fixed income and variable income securities	262 899	31 177	294 076	476 051	21 626	497 677
Derivative instruments	3 562		3 562	-114 096	0	-114 096
Repurchase agreements						
Loans						
Borrowings						
Remeasurement of interest rate risk hedged portfolios						
Remeasurement of currency positions						
TOTAL	266 461	31 177	297 638	361 955	21 626	383 581

(In thousand MAD)

2.4. NET GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30/06/21	30/06/20
Remuneration of equity instruments recognised as non-recyclable equity instruments (Dividends)	189 438	192 267
TOTAL	189 438	192 267

2.5. NET INCOME FROM OTHER ACTIVITIES

	30/06/21			30/06/20		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities			0			0
Net income from investment property	0	0	0	0	0	0
Net income from assets held under operating leases	116 083	54 586	61 497	104 462	58 549	45 913
Net income from property development activities	0	0	0	0	0	0
Other banking income & expenses	202 481	167 576	34 905	195 908	150 698	45 210
Other operating income	180 571	59 088	121 483	79 855	6 300	73 556
TOTAL NET INCOME FROM OTHER ACTIVITIES	499 135	281 250	217 885	380 225	215 547	164 679

(In thousand MAD)

2.6. GENERAL OPERATING EXPENSES

	30/06/21	30/06/20
Staff expenses	1 941 000	1 889 939
Taxes	177 182	140 283
External expenses	1 196 258	2 173 060
Other general operating expenses	89 700	79 087
Allowances for depreciation and provisions of tangible and intangible assets	492 876	485 368
General Operating Expenses	3 897 015	4 767 737

(In thousand MAD)

2.7. COST OF RISK

	30/06/21	30/06/20
Net allocations for depreciations	-946 883	-1 410 914
Bucket 1	-186 034	40 996
Including loans and receivables on EC and OA	527	9 744
Including customer loans and receivables	-3 507	18 422
Including off-balance-sheet commitments	-7 910	14 167
Including debt instruments	-175 144	-1 336
Including debt instruments accounted for by JV and recyclable CP	-	-
Bucket 2	-20 886	-609 879
Including loans and receivables on EC and OA	-199	282
Including customer loans and receivables	-19 256	-613 097
Including off-balance-sheet commitments	-1 450	1 838
Including debt instruments	19	1 097
Including debt instruments accounted for by JV and recyclable CP	-	-
Bucket 3	-739 963	-842 031
Including loans and receivables on EC and OA	25	-36 327
Including customer loans and receivables	-737 100	-804 642
Including off-balance-sheet commitments	-2 888	-1 062
Including debt instruments	-	-
Including debt instruments accounted for by JV and recyclable CP	-	-
Amounts recovered from amortized loans	33 752	15 021
Losses on bad debt	-372 246	-55 123
Other	-429	-11 056
Cost of risk	-1 285 807	-1 462 072

2.8. NET GAINS ON OTHER ASSETS

	30/06/21	30/06/20
PP&E and intangible assets used in operations	7 497	38 709
Capital gains on disposals	7 772	38 709
Capital losses on disposals	275	-
Others	2 061	2 896
Net Gain/Loss on Other Assets	9 558	41 605

2.9. INCOME TAX

2.9.1. Current and deferred tax

	30/06/21	31/12/20
Current tax	850 270	797 935
Deferred tax	2 029 824	2 083 871
Current and deferred tax assets	2 880 094	2 881 806
Current tax	1 095 882	877 982
Deferred tax	1 144 167	1 258 073
Current and deferred tax liabilities	2 240 049	2 136 055

(In thousand MAD)

2.9.2. Net income tax expense

	30/06/21	30/06/20
Current tax expense	-555 873	-508 313
Net deferred tax expense	35 963	458 289
Net Corporate income tax expense	-519 910	-50 024

(In thousand MAD)

2.9.3. Effective tax rate

	30/06/21	30/06/20
Net income	2 194 059	907 999
Net corporate income tax expense	-519 910	-50 024
Average effective tax rate	23,7%	5,5%

(In thousand MAD)

III. SEGMENT INFORMATION

The Group is composed of four core business activities for accounting and financial information purposes:

- Banking in Morocco : BANK OF AFRICA;
- Asset management and Investment banking : BMCE Capital, BMCE Capital Bourse and BMCE Capital Gestion;
- Specialised financial services : Salafin, Maghrébaïl, Maroc Factoring, RM Experts and Acmar;
- International activities : BMCE International Holding, Banque de développement du Mali, BANK OF AFRICA Europe, LCB Bank, BOA Group.

3.1. EARNINGS BY BUSINESS LINE

	30/06/2021					
	ACTIVITY IN MOROCCO	INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHERS	INTERNATIONAL ACTIVITIES	TOTAL
Net interest Income	2 388 874	33 497	240 725	-1 594	2 595 892	5 257 394
Net Fee income	536 957	78 174	11 805	0	705 931	1 332 867
Net Banking Income	3 212 839	177 398	257 304	59 903	3 587 778	7 295 221
General Operating Expenses & allowances for depreciation and amortization	-1 649 028	-131 671	-126 868	-38 135	-1 951 314	(3 897 015)
Operating Income	1 563 811	45 727	130 435	21 768	1 636 465	3 398 206
Corporate income tax	-209 563	-33 519	-65 133	-4 861	-206 834	(519 910)
Net Income Attributable to shareholders of the parent	511 115	58 090	66 462	1 249	557 707	1 194 622

(In thousand MAD)

	30/06/2020					
	ACTIVITY IN MOROCCO	INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHERS	INTERNATIONAL ACTIVITIES	TOTAL
Net interest Income	2 229 698	27 044	306 806	-1 865	2 511 230	5 072 914
Net Fee income	510 829	75 528	11 648	0	628 095	1 226 100
Net Banking Income	3 088 612	156 992	325 133	44 048	3 424 756	7 039 541
General Operating Expenses & allowances for depreciation and amortization	-2 540 869	-129 801	-113 671	-40 952	-1 942 445	(4 767 738)
Operating Income	547 743	27 192	211 462	3 096	1 482 311	2 271 804
Corporate income tax	133 174	-22 306	-49 294	-1 113	-110 485	(50 024)
Net Income Attributable to shareholders of the parent	-230 084	46 731	38 156	-6 463	524 684	373 024

(In thousand MAD)

3.2. ASSETS AND LIABILITIES BY BUSINESS ACTIVITY

	30/06/2021					TOTAL
	ACTIVITY IN MOROCCO	INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHERS	INTERNATIONAL ACTIVITIES	
TOTAL ASSETS	212 149 317	956 876	16 486 714	136 703	112 048 257	341 777 866
ASSETS ITEMS						
Available for sale assets	3 250 863	13 320	22 987	5 028	3 072 466	6 364 665
Customer loans	129 058 174	0	15 413 381	0	49 180 482	193 652 037
Financial assets at fair value	36 599 846	151 526	861	0	628 680	37 380 914
Held to maturity assets	9 088 709	0	0	0	34 702 329	43 791 038
LIABILITIES & SHAREHOLDERS EQUITY ITEMS						
Customer deposits	136 417 165	0	838 578	0	75 768 548	213 024 291
Shareholder's Equity	18 848 921	424 030	1 497 809	(220 073)	7 443 154	27 993 841

(In thousand MAD)

	31/12/2020					TOTAL
	ACTIVITY IN MOROCCO	INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHERS	INTERNATIONAL ACTIVITIES	
TOTAL ASSETS	204 540 156	990 356	16 840 891	106 223	109 434 177	331 911 803
ASSETS ITEMS						
Available for sale assets	2 982 072	8 350	22 386	16 977	2 835 135	5 864 920
Customer loans	128 452 166	0	15 585 061	1	50 129 472	194 166 699
Financial assets at fair value	29 529 201	110 862	861	0	662 363	30 303 288
Held to maturity assets	8 454 148	0	0	0	28 870 456	37 324 605
LIABILITIES & SHAREHOLDERS EQUITY ITEMS						
Customer deposits	133 306 866	0	892 652	0	72 887 323	207 086 841
Shareholder's Equity	18 804 203	419 299	1 593 012	(203 048)	7 367 063	27 980 530

(In thousand MAD)

IV. NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2021

4.1. CASH, AMOUNTS DUE FROM CENTRAL BANKS, BANKS AND THE POST OFFICE

	30/06/21	31/12/20
Cash	4 017 261	4 338 124
CENTRAL BANKS	6 657 315	11 921 071
TREASURY	95 620	27 685
GIRO	4 707	4 744
CENTRAL BANKS, TREASURY, GIRO	6 757 641	11 953 499
Cash, Central Banks, Treasury, Giro	10 774 903	16 291 624

(In thousand MAD)

4.2. ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	30/06/20			31/12/19		
	Trading book	Assets designated at fair value through profit or loss	Total	Trading book	Assets designated at fair value through profit or loss	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Negotiable certificates of deposits	23 812 974	-	23 812 974	16 943 095	-	16 943 095
Treasury bills and other eligible for central bank refinancing	21 803 418		21 803 418	15 647 344		15 647 344
Other negotiable certificates of deposits	2 009 556		2 009 556	1 295 751		1 295 751
Bonds	660 714	-	660 714	1 071 913	-	1 071 913
Government bonds	294 833		294 833	580 626		580 626
Other bonds	365 881		365 881	491 287		491 287
Equities and other variable income securities	12 122 352	781 067	12 903 419	11 509 343	774 086	12 283 429
Repurchase agreements	-		-	-		-
Loans	-		-	-		-
To credit institutions			0			0
To corporate customers			0			0
To private individual customers			0			0
Trading Book Derivatives	3 805	0	3 805	4 850	0	4 850
Currency derivatives	3 805		3 805	4 850		4 850
Interest rate derivatives			0			0
Equity derivatives			0			0
Credit derivatives			0			0
Other derivatives			0			0
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	36 599 846	781 067	37 380 913	29 529 201	774 086	30 303 287
Of which loaned securities						
Excluding equities and other variable-income securities						
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						
Borrowed securities and short selling						
Repurchase agreements						
Borrowings						
Credit institutions						
Corporate customers						
Debt securities						
Trading Book Derivatives						
Currency derivatives						
Interest rate derivatives						
Equity derivatives						
Credit derivatives						
Other derivatives						
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						

4.3. FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

	30/06/21			31/12/20		
	Balance Sheet Value	unrealised gains	Unrealized losses	Balance Sheet Value	unrealised gains	Unrealized losses
Debt instruments recognised at fair value through recyclable equity	1 534 521	36 309	-16 441	1 222 818	28 510	-8 188
Equity instruments recognised at fair value through non-recyclable equity	4 830 144	1 641 217	-533 111	4 642 101	1 644 938	-531 638

(In thousand MAD)

4.4. SECURITIES AT AMORTISED COST

	30/06/21	31/12/20
Treasury bills and other bills mobilisable with central banks	5 600 941	5 801 445
Treasury bills and other bills mobilisable with central banks	4 767 876	4 940 727
Other negotiable debt securities	833 065	860 718
Bonds	38 793 221	32 007 169
Government bonds	35 697 828	29 442 689
Other Bonds	3 095 393	2 564 480
Depreciations	-603 125	-484 009
TOTAL DEBT INSTRUMENTS VALUED AT AMORTISED COST	43 791 038	37 324 605

(In thousand MAD)

4.5. INTERBANK TRANSACTIONS, RECEIVABLES AND AMOUNTS DUE FROM CREDIT INSTITUTIONS

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

	30/06/21	31/12/20
Demand accounts	8 331 983	8 037 532
Loans	15 319 433	14 339 572
<i>Including cash loans</i>	<i>219 047</i>	<i>284 908</i>
Repurchase agreements	94 166	97 766
Total loans and receivables due from credit institutions, before impairment provisions	23 745 583	22 474 870
Provisions for impairment of loans and receivables due from credit institutions	-88 530	-82 607
Total loans and receivables due from credit institutions, net of impairment provisions	23 657 052	22 392 263

(In thousand MAD)

AMOUNTS DUE TO CREDIT INSTITUTIONS

	30/06/21	31/12/20
Demand accounts	4 188 784	5 380 050
Borrowings	34 812 645	34 294 079
<i>Including cash borrowings</i>	<i>1 724 924</i>	<i>900 951</i>
Repurchase agreements	23 765 607	20 286 352
TOTAL	62 767 037	59 960 481

(In thousand MAD)

4.6. LOANS, RECEIVABLES AND AMOUNTS DUE FROM CUSTOMERS

LOANS AND RECEIVABLES DUE FROM CUSTOMERS

	30/06/21	31/12/20
Demand accounts	21 410 355	20 097 645
Loans to customers	159 657 827	156 274 631
Repurchase agreements	14 722 679	19 230 084
Finance leases	14 506 201	14 542 223
Total loans and receivables due from customers, before impairment provisions	210 297 062	210 144 583
Impairment of loans and receivables due from customers	-16 645 025	-15 977 884
Total loans and receivables due from customers, net of impairment provisions	193 652 037	194 166 699

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY BUSINESS ACTIVITY

	30/06/21	31/12/20
Activity in Morocco	129 058 174	128 452 166
Specialized Financial Services	15 413 381	15 585 061
International Activities	49 180 482	50 129 472
Investment Banking	0	0
Other Activities	1,00	1,00
Total	193 652 037	194 166 698
Allocated Debts		
Value at Balance sheet	193 652 037	194 166 698

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY GEOGRAPHICAL REGION

	30/06/21	31/12/20
Morocco	144 471 555	144 037 227
Africa	45 304 696	46 131 188
Europe	3 875 786	3 998 284
Total	193 652 037	194 166 699
Allocated Debts		
Value at Balance sheet	193 652 037	194 166 699

(In thousand MAD)

BREAKDOWN OF LOANS & RECEIVABLES AND COMMITMENTS BY BUCKET

	30/06/21							
	Receivables and commitments				Depreciation			
	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL
Financial assets at fair value through equity	1 548 165	-	-	1 548 165	13 655	-	-	13 655
Debt instruments accounted for by JV at recyclable CP	1 548 165			1 548 165	13 655			13 655
Financial assets at amortized cost	240 121 264	19 217 326	19 098 215	278 436 805	2 095 927	2 731 365	12 509 386	17 336 678
Loans and receivables from credit institutions	23 660 784	81 101	3 697	23 745 582	84 272	1 715	2 542	88 528
Loans and receivables from customers	172 066 319	19 136 224	19 094 518	210 297 061	1 408 531	2 729 650	12 506 844	16 645 025
Debt instruments	44 394 162			44 394 162	603 125	-		603 125
Total assets	241 669 429	19 217 326	19 098 215	279 984 970	2 109 582	2 731 365	12 509 386	17 350 333
Total off-balance sheet	43 574 051	304 503	129 659	44 008 214	182 942	3 466	102 027	288 434

	31/12/20							
	Receivables and commitments				Depreciation			
	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL
Financial assets at fair value through equity	1 227 511	-	-	1 227 511	4 689	-	-	4 689
Debt instruments accounted for by JV at recyclable CP	1 227 511			1 227 511	4 689			4 689
Financial assets at amortized cost	233 347 022	18 734 128	18 346 917	270 428 067	1 964 282	2 724 683	11 855 532	16 544 497
Loans and receivables from credit institutions	22 390 038	81 101	3 730	22 474 870	78 624	1 410	2 572	82 606
Loans and receivables from customers	173 148 370	18 653 027	18 343 186	210 144 583	1 401 649	2 723 273	11 852 961	15 977 883
Debt instruments	37 808 614			37 808 614	484 009	-		484 009
Total assets	234 574 533	18 734 128	18 346 917	271 655 578	1 968 971	2 724 683	11 855 532	16 549 187
Total off-balance sheet	39 602 670	181 952	132 174	39 916 795	170 296	2 015	112 059	284 370

AMOUNTS DUE TO CUSTOMERS

	30/06/21	31/12/20
On demand deposits	126 210 851	123 589 148
Term accounts	30 817 826	27 987 454
Savings accounts	41 281 379	40 416 733
Cash certificates	4 007 768	4 066 640
Repurchase agreements	693 978	1 441 848
Other items	10 012 489	9 585 018
TOTAL LOANS AND RECEIVABLES DUE TO CUSTOMERS	213 024 291	207 086 841

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY BUSINESS ACTIVITY

	30/06/21	31/12/20
Activity in Morocco	136 417 165	133 306 866
Specialized Financial Services	838 578	892 652
International Activities	75 768 548	72 887 323
Investment Banking	0	0
Other Activities	0	0
Total	213 024 291	207 086 841
Allocated Debts		
Value at Balance sheet	213 024 291	207 086 841

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY GEOGRAPHICAL REGION

	30/06/21	31/12/20
Morocco	137 255 743	134 199 518
Africa	73 971 226	71 263 744
Europe	1 797 322	1 623 579
Total	213 024 291	207 086 841
Allocated Debts		
Value at Balance sheet	213 024 291	207 086 841

(In thousand MAD)

4.7. DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS

	30/06/21	31/12/20
Other debt securities	13 670 329	14 111 265
Negotiable certificates of deposit	13 170 329	13 611 265
Bond issues	500 000	500 000
Subordinated debts	9 495 548	9 594 473
Subordinated debt	9 495 548	9 594 473
Redeemable subordinated debt	6 495 548	6 594 473
Undated subordinated debt	3 000 000	3 000 000
Subordinated Notes	0	0
Redeemable subordinated notes		
Undated subordinated notes	0	0
Public Funds and special guarantee funds		
Total	23 165 877	23 705 738

(In thousand MAD)

4.8. CURRENT AND DEFERRED TAX

	30/06/21	31/12/20
Current tax	850 270	797 935
Deferred tax	2 029 824	2 083 871
Current and deferred tax assets	2 880 094	2 881 806
Current tax	1 095 882	877 982
Deferred tax	1 144 167	1 258 073
Current and deferred tax liabilities	2 240 049	2 136 055

(In thousand MAD)

4.9. ACCRUED INCOME AND EXPENSES, OTHER ASSETS AND LIABILITIES

	30/06/21	31/12/20
Guarantee deposits and bank guarantees paid	167 634	147 920
Settlement accounts related to securities transactions	64 280	65 195
Collection accounts	512 717	376 043
Reinsurers' share of technical reserves		
Accrued income and prepaid expenses	2 461 315	1 775 157
Other debtors and miscellaneous assets	4 117 379	4 140 240
Inter-related Accounts	142 605	246 976
TOTAL ACCRUED INCOME AND OTHER ASSETS	7 465 931	6 751 532
Guarantee deposits received	7 640	8 411
Settlement accounts related to securities transactions	8 513	85 330
Collection accounts	2 689 996	1 570 548
Accrued expenses and deferred income	1 173 692	1 094 265
Other creditors and miscellaneous assets	7 271 325	6 875 708
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	11 151 167	9 634 263

(In thousand MAD)

4.10. INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

	30/06/21	31/12/20
Euler Hermes Acmar	23 440	23 401
Banque de Développement du Mali	617 830	625 111
Eurafric	-22 064	-22 090
Africa Morocco Link	-14 081	-19 459
Société Conseil Ingenierie et Développement	144 336	149 109
Bank Al Tamwil wal Inmaa	102 942	102 955
Investments in equity methods companies belonging to BOA	94 599	103 925
Investments in associates	947 002	962 952

Financial data of the main companies accounted for under the equity method

	Total Assets	Net Banking Income or Net Revenues as of june 2021	Company Income	Contribution in Net Income attributable to the parent company as of june 2021
Acmar	530 684	65 582	15 195	3 039
Banque de Développement du Mali	16 207 947	395 675	190 688	62 585
Africa Morocco Link	285 000	149 406	-2 020	-1 030
Eurafric	285 377	131 208	3 149	18
Société Conseil Ingenierie et Développement	570 175	115 438	8 183	3 183
Bank Al Tamwil wal Inmaa	646 178	5 223	-21 369	-10 898

(In thousand MAD)

4.11. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS AND INVESTMENT PROPERTY

	30/06/21			31/12/20		
	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount
PP&E	16 955 882	7 952 879	9 003 002	16 586 788	7 641 612	8 945 177
Land and buildings	5 266 231	1 007 862	4 258 369	5 364 770	965 877	4 398 892
Equipment, furniture and fixtures	4 540 905	3 429 612	1 111 293	4 755 621	3 172 975	1 582 646
Plant and equipment leased as lessor under operating leases	0	0	0	0	0	0
Other PP&E	7 148 745	3 515 406	3 633 340	6 466 397	3 502 759	2 963 638
Intangible Assets	2 909 986	1 751 157	1 158 829	2 838 934	1 528 922	1 310 012
Purchased software	2 315 273	1 627 657	687 616	1 872 779	1 198 614	674 165
Internally-developed software	0	0	0	0	0	0
Other intangible assets	594 713	123 500	471 213	966 156	330 308	635 848
Investment Property	3 830 222	159 935	3 670 287	3 821 904	137 094	3 684 810

(In thousand MAD)

CHARGES OF RENTAL CONTRACTS

CHARGES OF RENTAL CONTRACTS	30/06/21	30/06/20
Interest expense on rental debts	-27 720	-26 353
Depreciation charges for user fees	-128 211	-120 839

ASSET RELATED TO RIGHTS OF USE

ASSET RELATED TO RIGHTS OF USE	30/06/21	31/12/20
Property, plant and equipment Including rights of use	9 003 002	8 945 178
	1 218 786	1 092 975

LIABILITIES RELATED TO RENTAL DEBT

LIABILITIES RELATED TO RENTAL DEBT	30/06/21	31/12/20
Adjustment account and other liabilities Including rental debt	11 151 167	9 634 263
	1 234 387	1 091 001

4.12. GOODWILL

	30/06/21	31/12/20
Gross value at start of period	1 032 114	1 032 114
Accumulated impairment at start of period		
Carrying amount at start of period	1 032 114	1 032 114
Acquisitions		
Cessions		
Impairment losses recognized during the period		
Translation adjustments		
Subsidiaries previously accounted for by the equity method		
Other movements		
Gross value at end of period	1 032 114	1 032 114
Accumulated impairment at end of period		
Carrying amount at end of period	1 032 114	1 032 114

(In thousand MAD)

The following table provides a breakdown of goodwill :

	Net book value 30/06/2021	Net book value 31/12/2020
Maghrébaïl	10 617	10 617
Banque de développement du Mali	3 588	3 588
SALAFIN	184 978	184 978
Maroc Factoring	1 703	1 703
BMCE CAPITAL BOURSE	2 618	2 618
BMCE INTERNATIONAL (MADRID)	3 354	3 354
Bank of Africa	711 976	711 976
LOCASOM	98 725	98 725
CID	14 555	14 555
GROUP TOTAL	1 032 114	1 032 114

4.13. PROVISIONS FOR CONTINGENCIES AND CHARGES

	30/06/21	31/12/20
Total provisions at start of period	1 407 895	1 172 573
Additions to provisions	325 726	400 967
Reversals of provisions	-232 893	-181 625
Effect of movements in exchange rates and other movements	-65 122	15 980
Total provisions at end of period	1 435 606	1 407 895

V. FINANCING AND GUARANTEE COMMITMENTS

5.1. FINANCIAL COMMITMENT

	30-june-21	31-dec-20
Financing commitments given	17 979 790	11 693 224
To credit institutions	3 339 246	1 908 863
To customers:	14 640 544	9 784 360
Confirmed letters of credit		
Other commitments given to customers		
Financing commitments received	5 065 488	1 326 057
From credit institutions	5 065 488	1 326 057
From customers	-	-

» Financing commitments given to credit and similar institutions

This entry relates to commitments to make liquidity facilities available to other credit institutions such as refinancing agreements and back-up commitments on securities issuance.

» Financing commitments given to customers

This entry relates to commitments to make liquidity facilities available to customers such as confirmed credit lines and commitments on securities issuance.

» Financing commitments received from credit and similar institutions

This entry relates to financing commitments received from credit and similar institutions such as refinancing agreements and backup commitments on securities issuance.

5.2. GUARANTEE COMMITMENTS

	30-june-21	31-dec-20
Guarantee commitments given	26 028 424	28 223 572
To credit institutions	7 280 656	9 258 040
To customers:	18 747 768	18 965 533
Sureties provided to tax and other authorities, other sureties		
Other guarantee commitments to customers		
Guarantee commitments received	91 245 123	91 144 035
From credit institutions	88 435 631	88 536 518
From the State and guarantee institutions	2 809 492	2 607 517

» Guarantee commitments given to credit and similar institutions

This entry relates to commitments to assume responsibility for an obligation entered into by a credit institution if the latter is not satisfied with it. This includes guarantees, warranties and other guarantees given to credit and similar institutions.

» Guarantee commitments given to customers

This entry relates to commitments to assume responsibility for an obligation entered into by a customer if the latter is not satisfied with it. This includes guarantees given to government institutions and real estate guarantees, among others, real estate guarantees, etc.

» Guarantee commitments received from credit and similar institutions

This entry includes guarantees, warranties and other guarantees received from credit and similar institutions.

» Guarantee commitments received from the State and other organisations

This entry relates to guarantees received from the State and other organisations.

VI. SALARY AND EMPLOYEE BENEFITS

6.1. DESCRIPTION OF CALCULATION METHOD

Employee benefits relate to long-service awards and end-of-career bonuses.

The method used for calculating the liability relating to both these benefits is the "projected unit credit" method as recommended by IAS 19.

» Caisse Mutualiste Interprofessionnelle Marocaine (CMIM) scheme

The Caisse Mutualiste Interprofessionnelle Marocaine (CMIM) is a private mutual insurance company. The company reimburses employees for a portion of their medical, pharmaceutical, hospital and surgical expenses. It is a post-employment scheme providing medical cover for retired employees.

The CMIM is a multi-employer scheme. As BANK OF AFRICA is unable to determine its share of the overall liability (as is the case for all other CMIM members), under IFRS, expenses are recognised in the year in which they are incurred. No provision is recognised in respect of this scheme.

6.2. SYNTHESIS AND DESCRIPTION OF PROVISIONS OF EXISTING SCHEMES

6.2.1. Provisions in respect of post-employment and other long-term benefits provided to employees

	June-21	dec-20
Retirement allowances and equivalents	514 733	504 275
Special seniority premiums allowances		
Other		
TOTAL	514 733	504 275

NB : the provision for employee benefits measured in accordance with IAS 19 is recognised in the «Provisions for contingencies and charges» caption of the liabilities item.

6.2.2. Basic assumptions underlying calculations

Economic assumptions	June-2021
Discount rate	2,75%
Long-term wage growth (inflation included)	3%
Taux de charges sociales patronales	10,96%
Social security contribution rate	
Demographic assumptions	Voluntary departure
Retirement terms	60 years old
Mortality table	PM 60/64 - PF 60/64

The discount rate is based on secondary market Treasury benchmark bond yields - Duration: about 22 years.

6.2.3. Cost of post-employment plans

	June-21	Dec-20
Normal cost	3 710	-3 563
Interest cost	6 749	13 654
Expected returns of funds		
Additional allowances		
Other		
Net cost of the period	10 459	10 091
Dont coût relatif aux indemnités de retraite et assimilées		
Dont autres...		

6.2.4. Changes in the provision recognised on the balance sheet

	June-21	Dec-20
Actuarial liability, beginning of the period	504 275	464 981
Normal cost	18 029	34 882
Interest cost	6 749	13 654
Experience gains/ losses		26 962
Other actuarial gains/ losses		
Depreciation of net gains/losses		
Paid benefits	-14 320	-38 445
Additional benefits		
Other		2 241
Actuarial liability, end of the period	514 733	504 275
Whose relative cost to the assimilated retirement benefits		
Others		

VII. ADDITIONAL INFORMATION

7.1. CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

7.1.1. Changes in share capital and earnings per share

	30/06/21	30/06/20
SHARE CAPITAL (IN MAD)	2 056 066 480	1 998 205 000
Number of common shares outstanding during the year	205 606 648	199 820 500
NET INCOME ATTRIBUTABLE TO THE SHAREHOLDER'S OF THE PARENT (IN MAD)	1 194 622 000	373 024 257
BASIC EARNINGS PER SHARE (IN MAD)	5,81	1,87
DILUTED EARNING PER SHARE (IN MAD)	5,81	1,87

7.1.2. Changes in share capital

Basic earnings per share is calculated by dividing the net income for the period attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period.

TRANSACTIONS ON CAPITAL	In number	Unit value	In MAD
Number of shares outstanding at 31 December 2017	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2018	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2019	199 820 500	10	1 998 205 000
Number of shares outstanding at 31 December 2020	205 606 648	10	2 056 066 480
Number of shares outstanding at 30 June 2021	205 606 648	10	2 056 066 480

The Bank does not have any dilutive instruments for conversion into ordinary shares. As a result, diluted earnings per share equates to basic earnings per share.

7.2. SCOPE OF CONSOLIDATION

Denomination	Business line	% of control	% of interest	Consolidation method
BANK OF AFRICA	Bank			Parent
BMCE CAPITAL	Investment Bank	100.00%	100.00%	I.G.
BMCE CAPITAL GESTION	Assets Management	100.00%	100.00%	FC
BMCE CAPITAL BOURSE	Stock Brokerage	100.00%	100.00%	FC
MAROC FACTORING	Factoring	100.00%	100.00%	FC
MAGHREBAIL	Leasing	52.47%	52.47%	FC
SALAFIN	Consumer Loan	61.96%	61.96%	FC
BMCE EUROSERVICES	Financial Institution	100.00%	100.00%	FC
LCB Bank	Bank	37.00%	37.00%	FC
BMCE BANK INTERNATIONAL HOLDING	Bank	100.00%	100.00%	FC
BANK OF AFRICA EUROPE	Bank	100.00%	100.00%	I.G.
BOA GROUP	Banking Holding	72.41%	72.41%	FC
LOCASOM	Car Rental	100.00%	97.39%	FC
RM EXPERTS	Debt Collection	100.00%	100.00%	FC
OPERATION GLOBAL SERVICE	Back office banking services	100.00%	100.00%	FC
FCP OBLIGATIONS PLUS	OPCVM	100.00%	100.00%	FC
BOA UGANDA	Bank	79.87%	78.63%	FC
BANQUE DE DEVELOPPEMENT DU MALI	Bank	32.38%	32.38%	EM
EULER HERMES	Insurance	20.00%	20.00%	EM
ACMAR				
EURAFRIC				
INFORMATION	IT System	41.00%	41.00%	EM
CONSEIL INGENIERIE ET DEVELOPPEMENT	Engineering	38.90%	38.90%	EM
AFRICA MOROCCO LINKS	Maritime Transport	51.00%	51.00%	EM
BANK AL TAMWIL WAL INMAA	Participating Bank	51.00%	51.00%	EM

BANK OF AFRICA holds 37% of LCB Bank's voting rights and has a controlling interest in this subsidiary as per the criteria outlined in IFRS 10.

Power: BANK OF AFRICA derives its effective rights from the management contract entrusted to it by the other shareholders. It has a majority on the Board of Directors with three directors followed by the Congolese State which has two directors.

Returns: BANK OF AFRICA is exposed, or has rights, to the profits generated by LCB pro-rata to its shareholding in the company.

Link between power and returns: BANK OF AFRICA is responsible for appointing LCB's senior management as well as being able to influence this entity's returns.

7.2.1. Related-party balance sheet items

Relationship between BANK OF AFRICA and consolidated companies and the Parent Company.

Naturally transactions with consolidated companies are fully eliminated with regard to the outstandings at the end of the period. Outstandings at end of period under transactions with companies consolidate under the equity method and the Parent Company are maintained in the consolidated financial statements.

7.3. RELATED PARTY

7.3.1. Related party profit and loss items

	Companies consolidated according to the equity method	Companies consolidated through full integration
Asset		
Loans, advances and securities	7 451	12 783 657
Current accounts	-	1 283 174
Loans	7 451	9 721 671
Securities		1 778 812
Capital lease		
Miscellaneous assets		17 734
Total	7 451	12 801 391
Liability		
Deposits		10 829 898
Current accounts		1 115 551
Other borrowings		9 714 347
Debts represented by a security		1 778 811
Miscellaneous liability		192 683
Total		12 801 392
Financing and guarantee commitments		
Commitments given		1 138 564
Commitments received		1 138 564

7.3.2. Related party profit and loss items

(in thousand MAD)	Companies consolidated according to the equity method	Companies consolidated through full integration
Interest and similar income		-130 124
Interest and similar expenses		159 362
Fees (income)		-135 292
Fees (expenses)		38 529
Services provided		
Services procured		
Lease income	-4 337	-114 480
Other		182 005

Note about the consolidated financial statements

The consolidated financial statements at 30 June 2021 have been prepared against a global and domestic backdrop which has seen the spread of the Covid-19 pandemic.

Health crisis and IFRS 9 impact

BANK OF AFRICA Group's consolidated financial statements are prepared under International Financial Reporting Standards (IFRS).

IFRS 9 introduces a new model for the recognition of impairment of financial assets based on expected credit losses. This model represents a change from the IAS 39 model that is based on proven credit losses.

IFRS 9 introduces a system of classification in 3 stages (buckets 1, 2 and 3) based on a definition of default (bucket 3) and a concept of significant deterioration in credit risk (triggering a downgrade from bucket 1 to bucket 2).

The definition of default is consistent with the one outlined in Circular 19G with a rebuttable assumption of default occurring when amounts are no later than 90 days past due.

The definition of default is used consistently to assess whether there is an increase in credit risk and to measure expected credit losses.

The monitoring of risk degradation is based on the monitoring systems of the internal risks, including in particular the monitoring of receivables and unpaid bills.

The significant increase in credit risk may be assessed on an individual or collective basis (by grouping together financial instruments based on common credit risk characteristics), taking into account all reasonable and supportable information and comparing the risk of default of the financial instrument at the reporting date with the risk of default of the financial instrument at the date of initial recognition.

Each instrument is assessed to ascertain whether there has been a significant increase in credit risk based on indicators and thresholds that vary depending on the kind of exposure and counterparty type.

A financial asset is also considered to have undergone a significant increase in credit risk if one or more of the following criteria are met:

- Financial asset placed on the watchlist
- Reorganised due to payment difficulties, although not defaulting
- Past-due event
- There are material adverse changes in the borrower's economic, commercial or financial operating environment
- Risks of financial difficulties have been identified, etc.

This standard introduces an impairment model which requires that expected credit losses or 'ECLs' are recognised for loans and debt instruments measured at amortised cost or fair value through other comprehensive income with recycling, for loan commitments and financial collateral arrangements not recognised at fair value as well as for receivables resulting from lease receivables and trade receivables.

This approach aims to encourage early recognition of expected credit losses. The expected losses for the various portfolios are calculated based on the three main risk criteria modelled using the available historical data for each portfolio segment: the 'Probability of Default' (PD) over one year or over the asset's lifetime, the 'Loss Given Default' (LGD) and 'Exposure At Default' (EAD). The historical loss method is used, where appropriate, for certain portfolios. This standard has been designed to be forward looking, reflecting expectations of future credit events at each reporting date. Forward looking scenarios have therefore been incorporated into the ECL calculation models.

As far as the specific context of the 30 June 2021 reporting date is concerned, BANK OF AFRICA BMCE Group has made a number of adjustments to anticipate, measure and steer the impacts from the current health crisis.

To ensure that the IFRS 9 model adequately takes into account the impact on the domestic economy from the current situation, prospective data and forward-looking scenarios have been revised, by taking into consideration their effects on probabilities of default.

This revision is based on the changes made to economic sector ratings. The estimated impact factors in information available at 30 June 2021. It will be updated in light of changes to the economic environment and any additional information available ahead of future reporting dates.



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BANK OF AFRICA S.A

STATUTORY AUDITORS' LIMITED REVIEW CERTIFICATE RELATING TO THE INTERIM PARENT FINANCIAL STATEMENTS AT 30 JUNE 2021

In application of the provisions of the Dahir promulgating Act No. 1-93-212 of 21 September 1993, as amended and completed, we have conducted a limited review of the interim financial statements of BANK OF AFRICA S.A, comprising the balance sheet, the off-balance sheet statement, the income statement, the management accounting statement, the cash flow statement and the additional information statement for the period from 1 January to 30 June 2021. These interim financial statements, which show shareholders' equity and equivalent of MAD 29,868,629 K, including net income of MAD 1,094,611 K, are the responsibility of the company's management bodies. These financial statements were drawn up by the Board of Directors 24 September 2021 against the evolving backdrop of the COVID-19 pandemic based on the information available at that time.

We conducted our assignment in accordance with the professional standards applicable in Morocco relating to limited reviews. These standards require that the limited review is planned and conducted so as to obtain reasonable assurance that the interim financial statements are free from material misstatement. A limited review consists primarily of discussions with the company's staff and analytical checks of financial data; it therefore provides a lower level of assurance than an audit. We have not conducted an audit and, as a result, are not therefore able to express an audit opinion.

BANK OF AFRICA S.A has a stock of non-operating real estate assets, acquired by dation-in-payment, totalling MAD 4.7 billion at 30 June 2021. Given the risks inherent in these real estate assets and, in particular, uncertainty surrounding their net realisable value and the period of time required to dispose of them, we are unable to express an opinion as to the value of these assets at 30 June 2021.

Based on our limited review and, except for the possible effects of the matter described above, we have not identified any issues that might lead us to think that the attached interim financial statements do not give a true and fair view of the income from operations and of the financial position and assets of BANK OF AFRICA S.A at 30 June 2021, in accordance with Moroccan generally accepted accounting standards.

Without in any way wishing to call into question the conclusion expressed above, we draw your attention to the appended note regarding the effects of the COVID-19 pandemic on the interim financial statements at 30 June 2021.

Casablanca, 24 September 2021

Statutory auditors

FIDAROC GRANT THORNTON



Faiçal MEKOUAR
Associé

KPMG



Mostafa FRAIHA
Associé

NOTE ABOUT THE PARENT FINANCIAL STATEMENTS

The parent financial statements at 30 June 2021 have been prepared against a global and domestic backdrop which has seen the spread of the Covid-19 pandemic.

In accordance with accounting standards, BANK OF AFRICA has taken into account the various impacts from the pandemic in preparing its parent and consolidated financial statements, particularly in terms of hedging credit risk.

1 - NOTE ON THE ACCOUNTING RULES, PRINCIPLES AND MEASUREMENT METHODS APPLIED

- 1.1- Credit institutions are obliged to publish financial statements each financial year which give a true and fair view of their assets, financial position and results.
- 1.2- Providing a true and fair view will necessarily depend on compliance with seven fundamental accounting principles recommended under General Accounting Standards.
- 1.3- When transactions, events and positions are accounted for in compliance with fundamental accounting principles and recommendations from Accounting Standards for Credit Institutions, the financial statements are presumed to give a true and fair view of the credit institution's assets, financial position, assumed risks and results.
- 1.4- In the event that, after applying these principles, the financial statements do not give a true and fair view, the credit institution is obliged to provide all necessary information in the additional information statement so as to be able to give a true and fair view.
- 1.5- In the exceptional event that, after strictly applying one of these principles or recommendations, the financial statements do not give a true and fair view, the credit institution is obliged to depart from established accounting principles.

Any eventual departure must be mentioned in the additional information statement and must be duly justified. It must also indicate the impact on the credit institution's assets, financial position, assumed risks and results.

1.6- The main fundamental accounting principles adopted are listed hereafter:

- Going concern principle
- Consistency principle
- Historical cost principle
- Time period principle
- Prudence principle
- Objectivity principle
- Materiality principle

2. PRESENTATION

The financial statements comprise:

- Head office accounts
- The accounts of domestic branches
- The accounts of overseas branches and representative offices (Paris branch, Shanghai branch and Tangier Offshore)

Any transactions or balances between group entities are eliminated on consolidation.

2.1. GENERAL PRINCIPLES

The financial statements have been prepared in accordance with generally accepted accounting principles applicable to credit institutions.

The presentation of BANK OF AFRICA's financial statements complies with Accounting Standards for Credit Institutions.

2.2. AMOUNTS DUE FROM CREDIT INSTITUTIONS AND CUSTOMERS AND SIGNATURE LOANS

General presentation of amounts due

- Amounts due from credit institutions and customers are classified on the basis of their initial maturity or economic purpose:
 - Demand or term deposits in the case of credit institutions;
 - Operating loans, equipment loans, consumer loans, property loans and other loans in the case of customers.
- Off-balance sheet signature loans relate to irrevocable funding commitments and guarantees.
- Repurchase agreements involving securities are recognised under the relevant receivables entry (credit institutions, customers).
- Values awaiting collection, which are only credited to the remitter on actual receipt or after a contractual period, are not recognised on the balance sheet but are accounted for materially.
- Accrued interest on these receivables is recognised under "Related receivables" through the income statement.

Non-performing customer loans

- Non-performing customer loans and advances are recognised and measured in accordance with applicable banking regulations.

- The main applicable provisions can be summarised as follows:

- Non-performing loans and advances are, depending on the level of risk, classified as “substandard”, “doubtful” or “irrecoverable”.

- After deducting the proportion of the guarantee required under current legislation, provisions are recognised as follows:

- 20% in the case of substandard loans;
- 50% in the case of doubtful loans;
- 100% in the case of irrecoverable loans.

Impairment provisions for credit risks on assets are deducted from the assets' carrying amount.

- On downgrading healthy loans and advances as non-performing loans, interest thereon is no longer calculated and recognised. It is only recognised as income when received.

- Losses on irrecoverable loans are recognised when the possibility of recovering non-performing loans is deemed to be nil.

- Provision write-backs for non-performing loans are recognised when the latter undergo an improvement, are effectively repaid or restructured with partial or total loan repayment.

2.3. AMOUNTS OWING TO CREDIT INSTITUTIONS AND CUSTOMERS

Amounts owing to credit institutions and customers are classified in the financial statements on the basis of their initial maturity or type:

- Demand or term deposits in the case of credit institutions;
- Demand accounts in credit, savings accounts, term deposits and other customer accounts in credit.

Included under these various headings, depending on the category of counterparty, are repurchase agreements involving securities or movable assets.

Interest accrued on these payables is recognised under “Related payables” through the income statement.

2.4. SECURITIES PORTFOLIO

2.4.1 General presentation

Securities transactions are recognised and measured in accordance with the provisions of the Credit Institutions Accounting Plan.

Securities are classified according to their legal type (debt security or equity security) as well as the purpose for which they were acquired (trading securities, available-for-sale securities, held-to-maturity securities and long-term investment securities).

2.4.2 Trading securities

Securities are considered to be Trading securities if they are:

- Bought or sold with the express intention of selling them or repurchasing them in the near future to make a profit;

- Held by the credit institution in the context of its role as market-maker, their classification as trading securities being conditional on them seeing significant trading volume as a function of market conditions;

- Acquired or sold in the context of specialised portfolio management activity comprising derivative instruments, securities or other instruments managed together with recent evidence that a short-term profit-taking approach has been adopted;

- The subject of a sales undertaking in the context of arbitrage activity.

Trading securities are recognised at cost less dealing charges plus accrued interest, where applicable. Dealing charges are recognised directly through the income statement. Securities that have been sold are valued on the basis of the same rules.

2.4.3 Available-for-sale securities

Fixed income or floating rate securities are considered to be Available-for-sale securities if they are acquired with a view to being held for an indefinite period and that the institution may Decide to sell them at any time.

By default, this category includes securities that fail to satisfy the criteria for recognition under another category of securities.

Available-for-sale securities are recognised at cost plus charges and accrued interest.

Securities transferred from the “Portfolio securities” and “Equity securities and Investments in related companies” categories are valued either prior to or at the time of transfer based on the rules relating to their original category. They are reclassified under Available-for-sale securities on the basis of this carrying amount.

Securities transferred from the “Held-to-maturity securities” category are reclassified at their net carrying amount at the time of transfer.

2.4.4 Held-to-maturity securities

Held-to-maturity securities are debt securities which are acquired or which have been transferred from another

category of securities for the purpose of being held until maturity in order to generate regular income over the long-term.

These securities are recognised ex-coupon at the time of acquisition.

At each balance sheet date, the securities are valued at cost, regardless of their market value. Accordingly, unrealised profit or loss is not recognised.

2.4.5 Long-term investment securities

This category comprises securities whose long-term ownership is deemed useful to the Bank. These securities are categorised according to the provisions established by Accounting Standards for Credit Institutions as follows:

- Equity securities;
- Investments in related companies;
- Portfolio securities
- Other similar assets.

At each balance sheet date, they are valued on the basis of generally-accepted criteria such as utility value, share of net assets, future earnings prospects and share price performance. Impairment provisions are booked for unrealised losses on a case by case basis.

2.4.6 Repurchase agreements

Securities delivered under repurchase agreements are recognised on the balance sheet. The amount received, which represents the liability to the transferee, is recognised on the balance sheet under liabilities.

Securities received under reverse repos are not recognised on the balance sheet, although the amount received, which represents the receivable due from the transferor, is recognised on the balance sheet under assets.

2.5. FOREIGN CURRENCY-DENOMINATED TRANSACTIONS

Receivables, amounts owing and signature loans denominated in foreign currencies are translated into dirhams at the average exchange rate prevailing at the balance sheet date.

Foreign currency differences on contributions from overseas branches and on foreign currency borrowings hedged against exchange rate risk are recorded on the balance sheet under other assets or other liabilities as appropriate. Any translation gains and losses arising from the translation of non-current securities acquired in a foreign currency are recorded as translation differences under the category of securities in question.

Foreign currency differences on other accounts held in foreign currencies are recognised through the income statement.

Income and expenses in foreign currency are translated at the exchange rate prevailing on the day they are recognised.

2.6. TRANSLATION OF FINANCIAL STATEMENTS DENOMINATED IN FOREIGN CURRENCIES

The 'closing rate' method is used to translate financial statements denominated in foreign currencies.

Translation of balance sheet and off-balance sheet items

All assets, liabilities and off-balance sheet items of the foreign entity (Paris Branch) are translated based on the exchange rate prevailing at the closing date.

Shareholders' equity (excluding net income for the financial year) is measured at different historical rates (additional charges) and constitutes reserves. The difference arising from this correction (closing rate less historical rate) is recorded under "Translation differences" under shareholders' equity.

Translation of income statement items except for depreciation and amortisation expenses and provisions, which are translated at the closing rate, are translated at the average exchange rate for the financial year. However, income statement items have been translated at the closing rate since this method does not result in any material difference by comparison with the average exchange rate method.

2.7. GENERAL RISK PROVISIONS

These provisions are booked, at the discretion of the management, to address future risks relating to banking operations which cannot be currently identified or accurately measured.

Provisions booked are added back for taxation purposes.

2.8. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets and property, plant and equipment are recognised on the balance sheet at cost less accumulated amortisation and depreciation, calculated using the straight line method over the estimated life of the assets in question.

Intangible assets are categorised under operating and non-operating non-current assets and are amortised over the following periods:

Category	Amortisation period
Lease rights	Non-amortisable
Patents and brands	For the period under patent protection
Research & development assets	1 year
IT software	5 years
Other goodwill items	Non amortisable

Plant, property and equipment are categorised under operating and non-operating non-current assets and are amortised over the following periods::

Category	Amortisation period
Land	Non amortisable
Operating premises:	
Built before 1986	20 years
Built after 1986	40 years
Office furniture	10 years
IT hardware	5 years
Vehicles	5 years
Fixtures, fittings and equipment	10 years
Shares in non-profit companies	Non amortisable

2.9. DEFERRED CHARGES

Deferred charges comprise expenses which, given their size and nature, are likely to relate to more than one financial year.

2.10. STATUTORY PROVISIONS

Statutory provisions, particularly those relating to taxation, are booked in application of statutory or regulatory requirements. The Decision as to whether or not to book such provisions is effectively a management Decision motivated, in particular, by a desire to derive a tax benefit.

If the criteria for booking and utilising such provisions are met and they have been booked to be able to benefit from a definite tax break, statutory provisions, with the exception of accelerated amortisation reserves, are treated as tax-free reserves.

2.11. RECOGNITION OF INTEREST INCOME AND FEE INCOME ON THE INCOME STATEMENT

Interest income

Income and expenditure earned on capital actually lent or borrowed are considered as interest income.

Income and expenditure earned on an accruals basis, which remunerates risk, are considered as interest equivalent. This category includes fees on guarantee and financing commitments (guarantees, collateral etc.).

Interest accrued on capital actually lent or borrowed is recognised under related receivables and payables accounts through the income statement.

Interest equivalent is immediately recognised through the income statement upon invoicing.

Fee income

Income and expenditure, calculated on a flat-rate basis, which remunerate a service provided, are recognised as fees upon invoicing.

2.12. NON-RECURRING INCOME AND EXPENDITURE

This consists exclusively of income and expenditure arising on an exceptional basis. Such items are rare, in principle, as they are unusual by nature and occur infrequently.

2.13. RETIREMENT OBLIGATIONS

Retirement obligations (Wissam Al Choghl, compensation payments for early retirement) not covered by pension schemes and managed by external independent providers (non-mandatory) are not provisioned.

ASSETS	30/06/21	31/12/20
Cash, central banks, treasury, giro accounts	2 466 752	4 700 288
Loans to credit institutions and equivalent	21 330 885	20 148 615
. Demand	4 174 187	3 934 452
. Time	17 156 698	16 214 163
Loans and advances to customers	126 804 317	126 812 254
. Cash and consumer loans	42 930 205	38 746 351
. Equipment loans	19 315 356	20 263 591
. Mortgage loans	41 940 087	41 057 176
. Other loans	22 618 669	26 745 136
Advances acquired by factoring	2 797 959	2 113 945
Transaction and marketable securities	38 381 519	30 931 541
. Treasury bonds and equivalent securities	14 693 662	9 458 897
. Other debt securities	189 731	220 787
. Title deeds	23 439 452	21 193 183
. Sukuks Certificates	58 674	58 674
Other assets	5 381 998	4 831 475
Investment securities	9 081 067	8 433 543
. Treasury bonds and equivalent securities	3 972 636	4 115 642
. Other debt securities	5 108 431	4 317 901
. Sukuks Certificates	-	-
Equity investments and equivalent uses	11 066 992	10 873 764
. Investments in joint ventures	9 055 950	8 892 226
. Other equity securities and similar assets	2 011 042	1 981 538
. Moudaraba and Moucharaka securities	-	-
Subordinated loans	195 526	200 743
Placed investment deposits	-	-
Leased and rented fixed assets	178 196	190 816
ljara leased assets	-	-
Intangible fixed assets	667 482	583 738
Tangible fixed assets	5 780 387	5 395 263
TOTAL ASSETS	224 133 080	215 215 987

(in thousand MAD)

LIABILITIES	30/06/21	31/12/20
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	41 202 106	37 034 499
. Demand	5 877 256	2 539 628
. Time	35 324 850	34 494 871
Customer deposits	138 380 879	134 792 521
. Demand deposits	86 464 260	85 875 583
. Savings deposits	25 521 919	25 102 696
. Time deposits	19 926 914	17 674 709
. Other deposits	6 467 786	6 139 533
Customer borrowings and deposits on participatory products	-	-
Debt securities issued	8 530 623	8 166 405
. Negotiable debt securities	8 030 623	7 666 405
. Bond loans	500 000	500 000
. Other debt securities issued	-	-
Other liabilities	4 609 575	3 543 407
Provisions for liabilities and charges	1 085 608	1 221 143
Regulated provisions	455 660	514 706
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	9 495 548	9 594 473
Received investment deposits	-	-
Revaluation reserve	-	-
Reserves and premiums related to capital	17 222 384	17 568 566
Capital	2 056 066	2 056 066
Shareholders unpaid-up capital (-)	-	-
Retained earnings (+/-)	20	20
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	1 094 611	724 181
TOTAL LIABILITIES	224 133 080	215 215 987

(in thousand MAD)

BALANCE SHEET	30/06/21	31/12/20
Given commitments	25 484 455	20 820 845
Financing commitments on behalf of credit institutions and equivalent	117 800	418 241
Financing commitments on behalf of customers	6 969 031	6 661 576
Guarantee commitments given to credit institutions and equivalent	4 096 330	4 027 365
Guarantee commitments given to customers	9 521 886	9 539 868
Securities repos purchased	-	78 358
Other securities to be delivered	4 779 408	95 437
Received commitments	24 195 261	21 105 044
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	21 536 713	18 598 222
Guarantee commitments received from the State and various guarantee bodies	2 590 622	2 410 428
Securities repos sold	-	-
Other securities to be received	67 926	96 394
Moucharaka and Moudaraba securities to be received	-	-

STATEMENT OF INCOME AND EXPENSES	30/06/21	30/06/20
BANK OPERATING INCOME	5 735 232	7 283 952
Interests and assimilated revenues on transactions with credit institutions	123 489	440 641
Interests and assimilated revenues on transactions with customers	2 701 012	2 694 911
Interests and assimilated revenues on debt securities	282 904	268 469
Revenue from property securities (1) and Sukuks certificates	714 564	582 440
Revenue from Moudaraba and Moucharaka securities	-	-
Revenues from leased and rented fixed assets	11 671	15 760
Revenue from leased assets (Ijara)	-	-
Fees on provided services	577 518	550 371
Other banking revenues	1 324 074	2 731 360
Cost transfer on received investment deposits	-	-
BANK OPERATING EXPENSES	1 951 559	3 701 786
Interests and assimilated expenses on transactions with credit institutions	284 227	707 302
Interests and assimilated expenses on transactions with customers	431 870	563 311
Interests and assimilated expenses on debt securities issued	291 725	120 159
Expenses from Moudaraba and Moucharaka securities	-	-
Expenses on leased and rented fixed assets	9 957	7 056
Expenses from leased assets (Ijara)	-	-
Other banking expenses	933 780	2 303 958
Cost transfer on received investment deposits	-	-
NET BANKING INCOME	3 783 673	3 582 165
Non-banking operating revenues	33 575	39 957
Non-banking operating expenses	51 061	13 050
GENERAL OPERATING EXPENSES	1 781 075	1 705 647
Staff expenses	816 340	775 925
Tax expenses	52 556	52 310
External expenses	746 556	731 073
Other general operating expenses	4 806	645
Allowances for depreciation and provisions for intangible and tangible fixed assets	160 817	145 694
ALLOWANCES FOR PROVISIONS AND LOAN LOSSES	826 452	737 954
Allowances for non performing loans and commitments	607 114	552 826
Loan losses	214 739	21 690
Other allowances for provisions	4 599	163 438
PROVISION WRITE-BACKS AND RECOVERY ON AMORTISED DEBTS	264 758	104 002
Provision write-backs on non performing loans and commitments	111 209	63 489
Recovery on amortised debts	12 034	3 923
Other provision write-backs	141 515	36 590
CURRENT INCOME	1 423 418	1 269 474
Non-current revenues	64 338	-
Non-current expenses	122 256	521 653
PRE-TAX EARNINGS	1 365 500	747 821
Corporate tax	270 889	271 587
NET EARNINGS FOR THE YEAR	1 094 611	476 234

EARNINGS FORMATION TABLE	30/06/21	30/06/20
(+) Interests and equivalent revenues	3 107 405	3 404 020
(-) Interests and equivalent expenses	1 007 822	1 390 772
NET INTEREST INCOME	2 099 583	2 013 248
(+) Revenues from leased and rented fixed assets	-	-
(-) Expenses on leased and rented fixed assets	-	-
INCOME FROM ON PARTICIPATIVE FUNDING	-	-
(+) Profit from leasing and renting operations	11 671	15 760
(-) Expenses from leasing and renting operations	9 957	7 056
Income from leasing and rental operations	1 714	8 704
(+) Revenue from leased assets (Ijara)	-	-
(-) Expenses from leased assets (Ijara)	-	-
Income from Ijara operation (1)	-	-
(+) Fees received	639 110	661 069
(-) Fees paid	127 838	171 674
Fee income (1)	511 272	489 395
(+) Income from trading securities	397 274	547 102
(+) Income from investment securities	591	56 766
(+) Income from payload operations	206 353	130 914
(+) Income from by-product operation	3 796	-114 096
Income from market transactions (1)	608 014	620 686
(+/-) Income from Moudaraba and Moucharaka securities	-	-
(+) other banking products	714 603	582 472
(-) other banking expenses	151 512	132 340
(+/-) Holders' share in investment deposit accounts	-	-
NET BANKING INCOME	3 783 674	3 582 165
(+) Income from financial asset operations (2)	-90	-40 322
(+) Other non-banking operating revenues	33 498	31 707
(-) Other non-banking operating expenses	50 894	4 767
(-) General operating expenses	1 781 076	1 705 647
Gross operating income	1 985 112	1 863 136
(+) Allowances for non performing loans and commitments (net of write-backs)	-698 610	-507 104
(+) Other allowances net of provision write-backs	136 916	-86 557
Current income	1 423 418	1 269 475
Non-current income	-57 918	-521 653
(-) Corporate tax	270 889	271 588
Net earnings for the year	1 094 611	476 234

(in thousand MAD)

EARNINGS FORMATION TABLE	30/06/21	30/06/20
(+) Net earnings for the year	1 094 611	476 234
(+) Allowances for depreciation and provisions for intangible and tangible fixed assets	160 817	145 694
(+) Allowances for provisions for equity investments depreciation	-	52 814
(+) Allowances for provisions for general risks	4 599	107 374
(+) Allowances for regulated provisions	-	-
(+) Non-current allowances	5 292	-
(-) Provision write-backs	133 638	12 523
(-) Capital gains on disposals of intangible and tangible fixed assets	741	3 949
(+) Capital losses on disposals of intangible and tangible fixed assets	-	-
(-) Capital gains on disposals of equity investments	77	8 250
(+) Capital losses on disposals of equity investments	166	8 281
(-) Write-backs of investment subsidies received	-	-
(+) Financing	1 131 029	765 675
(-) Dividends distributed	-	-
(+) Cash-flow	1 131 029	765 675

(in thousand MAD)

STATEMENT OF CASH FLOW	30/06/21	31/12/20
(+) Operating income received from banking operations	5 467 388	10 761 260
(+) Recovery of amortised debts	12 034	27 808
(+) Non-banking revenues received	32 757	79 997
(-) Banking operating expenses paid	3 045 622	7 789 295
(-) Non-banking operating expenses paid	51 061	1 029 683
(-) General operating expenses paid	1 620 259	3 136 020
(-) Corporate tax paid	270 889	274 812
I.Net Cash Flows from the Income Statement	524 348	-1 360 744
Change in:		
(+) Loans to credit institutions and equivalent	-1 182 270	2 000 482
(+) Loans to customers	-676 077	-10 017 350
(+) Debt and marketable securities	-7 449 978	-925 728
(+) Other assets	-556 119	-1 323 245
(-) Moudaraba and Moucharaka securities	-	-
(+) Leasing and renting operations	12 620	331
(+) Ijara operations	-	-
(+) Investments placed through credit institutions and equivalent	-	-
(+) Amounts owed to credit institutions and equivalent	4 167 607	14 403 957
(+) Customer deposits	3 588 358	351 280
(+) Customer borrowings on participatory financing	-	-
(+) Debt securities issued	364 218	-1 206 412
(+) Other liabilities	-135 000	-426 824
II.Balance of changes in operating assets and liabilities	-1 866 641	2 856 490
III.Net cash flows from operating activities (I + II)	-1 342 293	1 495 746
(+) Revenues from equity investments (1) (4)	-	102 355
(+) Revenues from disposals of intangible and tangible fixed assets (4)	2 000	700 683
(-) Acquisitions of equity investments (1)	104 857	2 214 714
(-) Acquisitions of intangible and tangible fixed assets	701 848	561 230
(+) Interests received	47 934	99 459
(+) Dividends received	53 490	528 036
IV.FLUX DE TRESORERIE NETS PROVENANT DES ACTIVITES D'INVESTISSEMENT	-703 281	-1 345 410
(+) Subsidies, public funds and guarantee funds received		4 303
(+) Issues of subordinated debts		
(+) Received investment deposits		
(+) Stock issues		
(-) Repayment of shareholders equity and equivalent		
(-) Reimbursed investment deposits (2)		
(-) Interests paid	187 962	403 821
(-) Rémunérations versées sur dépôts d'investissement (3) (4)		161 102
V.Net Cash Flows from Financing Activities	-187 962	-560 620
VI.Net Change In Cash (III + IV + V)	-2 233 536	-410 284
VII.Cash & Cash Equivalent at Beginning of Year	4 700 288	5 110 572
VIII.Cash & Cash Equivalent at Year-end	2 466 752	4 700 288

(in thousand MAD)

(1) Other than Moucharaka and Moudaraba securities

(2) Including used IRR

(3) Including used PER

(4) Excluding net cash flows from income and expense accounts

LOANS TO CREDIT INSTITUTIONS AND EQUIVALENT

Claims	Bank Al Maghrib, Treasury	Banks in Morocco	Other credit institutions and equivalent in morocco	Foreign credit institutions	TOTAL 30/06/2021	Total 31 / 12 / 2020
Ordinary accounts in debit	831 561	224 698	673 837	3 442 974	5 173 070	8 241 654
Securities received as pledges	-	-	52 135	-	52 135	66 589
- Overnight	-	-	-	-	-	60 062
- Time	-	-	52 135	-	52 135	6 527
Short-term loans	-	3 053 675	1 274 842	1 101 996	5 430 513	5 771 099
- Overnight	-	-	83 616	-	83 616	323 707
- Time	-	3 053 675	1 191 226	1 101 996	5 346 897	5 447 391
Financial loans	-	274 836	8 131 232	19 871	8 425 939	7 283 288
Other loans	2 895 759	371 471	-	8 457	3 275 687	3 439 786
Receivables accrued interest	-	55 302	-	490	55 792	46 487
Non performing loans	-	-	-	-	-	0
TOTAL	3 727 320	3 979 982	10 132 046	4 573 789	22 413 136	24 848 903

(in thousand MAD)

LOANS TO CUSTOMERS

Claims	Public Sector	Private Sector			TOTAL 30/06/2021	TOTAL 31 / 12 / 2020
		Financial companies	Non-financial companies	Other customers		
Short-term loans	815 342	1 940 506	29 577 754	2 329 071	34 662 673	30 698 539
- Deposit accounts in debit	323 751	1 940 506	11 896 319	1 693 062	15 853 638	14 769 564
- Commercial loans in Morocco	20 477	-	3 178 048	4 680	3 203 205	2 895 279
- Export loans	-	-	1 648 839	108 784	1 757 623	761 540
- Other cash loans	471 114	-	12 854 548	522 545	13 848 207	12 272 156
Consumer loans	-	-	28 548	7 614 054	7 642 602	7 687 110
Equipment loans	4 134 939	482 880	13 142 884	1 280 062	19 040 764	19 987 678
Mortgage loans	241 446	-	9 184 583	32 454 000	41 880 029	40 966 339
Other loans	2 000 000	15 427 810	1 239 177	61 809	18 728 796	23 023 182
Advances acquired by factoring	2 098 560	-	686 883	12 517	2 797 959	2 113 945
Receivables accrued interest	60 294	31 959	401 963	164 739	658 956	727 452
Non performing loans	591	-	2 350 827	1 839 077	4 190 496	3 721 954
- Substandard loans	21	-	103 175	437 934	541 130	629 849
- Doubtful loans	4	-	1 008 737	409 271	1 418 012	1 005 078
- Loss loans	567	-	1 238 915	991 872	2 231 354	2 087 027
TOTAL	9 351 172	17 883 155	56 612 620	45 755 329	129 602 276	128 926 198

(in thousand MAD)

BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES BY CATEGORY OF ISSUER

	"Credit Institutions and Equivalent"	Public Issuers	PRIVATE ISSUERS		Total 30/06/2021	Total 31 / 12 / 2020
			Financial companies	Non-financial companies		
Quoted securities	-	1 837 702	-	1 359 258	3 196 959	23 440 279
- Treasury bonds and equivalent securities	-	61 331	-	-	61 331	2 867 631
- Bonds	-	1 776 371	-	1 358 660	3 135 031	1 308 057
- Other debt securities	-	-	-	-	-	-
- Title deeds	-	-	-	598	598	19 264 591
Certificats de Sukuks	-	-	-	-	-	-
Titres non cotés	1 286 383	17 345 293	25 079 002	535 906	44 246 584	10 940 599
- Treasury bonds and equivalent securities	996 315	17 276 537	1 108 241	-	19 381 094	9 312 684
- Bonds	290 068	-	531 906	368 056	1 190 029	998 208
- Other debt securities	-	-	-	-	-	328 935
- Title deeds	-	-	23 438 352	-	23 438 352	-
Certificats de Sukuks	-	-	-	58 674	58 674	77 227
Accrued interest	-	68 756	502	109 177	178 435	223 545
TOTAL	1 286 383	19 182 995	25 079 002	1 895 164	47 443 544	34 380 877

(in thousand MAD)

BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES

	Gross book value	Current value	Redemption price	Unrealised capital gains	Unrealised capital losses	Provisions
Transaction securities	37 826 451	37 826 451	-	-	-	-
Treasury bonds and equivalent securities	14 427 835	14 427 835	-	-	-	-
Bonds	84 000	84 000	-	-	-	-
Other debt securities	-	-	-	-	-	-
Title deeds	23 255 942	23 255 942	-	-	-	-
Sukuks certificates	58 674	58 674	-	-	-	-
Marketable securities	576 379	536 025	576 379	-	-	40 353
Treasury bonds and equivalent securities	305 402	265 827	305 402	-	-	39 575
Bonds	-	-	-	-	-	-
Other debt securities	86 689	86 689	86 689	-	-	-
Title deeds	184 288	183 510	184 288	-	-	778
Investment securities	9 081 067	9 081 067	8 962 726	122 379	71 789	-
Treasury bonds and equivalent securities	4 820 767	4 820 767	4 749 521	-	71 246	-
Bonds	4 241 060	4 241 060	4 193 965	122 379	542	-
Other debt securities	19 240	19 240	19 240	-	-	-
TOTAL	47 483 897	47 443 544	9 539 105	122 379	71 789	40 353

(in thousand MAD)

DETAIL OF OTHER ASSETS	30/06/21	31/12/20
Optional instruments	-140	-269
Miscellaneous transactions on securities	318 583	324 924
Other Debtors	1 085 067	985 476
- Sums due by the state	898 312	811 212
- Sums due by provident companies	-	-
- Receivables from staff	120 899	119 568
- Receivable for non-banking services	-	-
Other debtors	65 856	54 695
Other securities and assets	4 943	4 943
Adjustment accounts	3 973 543	3 554 401
Off-balance sheet adjustment accounts	166 913	186 413
Currency discrepancy accounts	-	-
Derivatives discrepancy accounts	-	-
Securities discrepancy accounts	-	-
Currency and securities Goodwill	-	-
Income on hedging transactions	-	-
Deferred expenses	138 995	141 631
Liaison accounts between the head office, subsidiaries and branches in Morocco	142 133	246 489
Accrued income and prepayment	1 946 318	1 298 854
Accrued income	1 090 689	472 134
Prepayment	855 629	826 719
Transitory accounts	-	-
Other adjustment accounts	1 579 184	1 681 014
Non performing loans on miscellaneous transactions	-	-
TOTAL	5 381 997	4 869 475

(in thousand MAD)

EQUITY INVESTMENTS AT 30/06/2021

(in thousand MAD)

Issuing company name	Business sector	Number of shares	Share capital	Equity interest (%)	Overall acquisition price	Provisions	Net carrying amount
INVESTMENTS IN ASSOCIATES							
RADIO MEDITERRANEE	Audio-visual	708 260	196 650 000	36,02	70 827 100,00	-	70 827 100,00
CASABLANCA FINANCE CITY AUTHORITY	Casablanca Financial Centre management company	500 000	500 000 000	10,00	50 000 000,00		50 000 000,00
TANGER MED ZONES	Development company	821 877	906 650 000	9,06	82 187 739,00		82 187 739,00
EMAT	Holding company	80 473	8 047 300	100,00	30 364 800,00	30 364 800,00	0,00
FONCIERE EMERGENCE	Real Estate development	363 935	435 266 549	7,41	37 056 600,00		37 056 600,00
ECOPARC DE BERRECHID	Development company	120 000	55 000 000	21,82	12 000 000,00		12 000 000,00
CENTRE MONETIQUE INTERBANCAIRE	Electronic payments management company	109 990	98 200 000	11,20	11 000 000,00		11 000 000,00
Fonds de Garantie de la Commande Publique	Investment fund	100 000	115 000 000	8,70	10 000 000,00		10 000 000,00
MOROCCAN INFORMATION TECHNO PARC CIE	Real estate management	56 500	46 000 000	12,28	5 650 000,00	-	5 650 000,00
BMCE Capital Real Estate	Real estate management	12 495	5 000 000	24,99	1 249 500,00		1 249 500,00
MARTKO (MAGHREB ARAB TRADING C°)	Financial institution	12 000	600 000 USD	20,00	970 638,00	970 638,00	0,00
MITC CAPITAL	MNF Fund manager	4 000	2 000 000	20,00	400 000,00	400 000,00	0,00
STE RECOURS	Debt collection	3 750	2 500 000	15,00	375 000,00	375 000,00	0,00
MOROCCOSINO PHARMA	Sté pharmaceutique	33 332	10 000 000	33,33	3 333 200,00		3 333 200,00
511 INVESTMENTS IN ASSOCIATES					315 414 577,00	32 110 438,00	283 304 139,00

INVESTMENTS IN RELATED COMPANIES

INVESTMENTS IN RELATED COMPANIES							
BOA Group	Foreign credit institution	435 192	93 154 535 €	72,41	2 869 874 190,64		2 869 874 190,64
BIH	Foreign credit institution	102 173 261	102 173 261 £	100,00	1 263 270 192,82	-	1 263 270 192,82
BANK OF AFRICA EUROPE	Foreign credit institution	666 149	40 635 089,00	100,00	847 840 000,00		847 840 000,00
STE SALAFIN	Consumer loans	1 935 692	312 411 900	61,96	707 410 483,78		707 410 483,78
LITTORAL INVEST	Real estate	26 000	2 600 000	100,00	450 000 000,00		450 000 000,00
MAGHREBAIL	Leasing	726 220	138 418 200	52,47	370 770 143,63		370 770 143,63
LOCASOM	Vehicle leasing	784 768	83 042 900	94,50	336 882 375,39		336 882 375,39
AFRICA MOROCCO LINKS	Shipping	1 632 000	320 000 000	51,00	163 200 000,00	30 000 000,00	133 200 000,00
O TOWER	Development company	9 600 000	2 000 000 000	48,00	852 349 701,00		852 349 701,00
BANK AL-TAMWEEL WA AL-INMA - BTI	Participatory banking	2 040 000	400 000 000	51,00	204 000 000,00		204 000 000,00
BOA UGANDA	Foreign credit institution	22 176 454	46 775 206 000 UGX	47,41	132 118 906,98	-	132 118 906,98
BANQUE DE DEVELOPPEMENT DU MALI	Foreign credit institution	121 726	50 000 268 220 FCF	32,38	133 672 792,95		133 672 792,95
HANOUBY	Retail	76 486	16 767 900	45,62	121 815 273,15	121 815 273,15	0,00
BMCE CAPITAL	Investment banking	100 000	100 000 000	100,00	100 000 000,00		100 000 000,00
STE CONSEIL INGENIERIE ET DEVELOPPEMENT	Engineering consultancy	155 437	40 000 000	38,85	90 191 609,60		90 191 609,60
CONGOLAISE DES BANQUES	Foreign credit institution	370 000	10 000 000 000 FCF	37,00	74 450 950,00		74 450 950,00
RIYAD ALNOUR	Hospitality	3 000	300 000	100,00	78 357 435,98		78 357 435,98
SOCIETE D'AMENAGEMENT TANGER TECH - SA-TT	Development company	1 499 997	500 000 000	30,00	125 000 000,00	-	125 000 000,00
MAROC FACTORING	Factoring	450 000	45 000 000	100,00	51 817 450,00		51 817 450,00
GLOBAL NETWORK SYSTEMS HOLDING	Data processing	116 000	11 600 000	100,00	46 591 421,00		46 591 421,00
EUROSERVICES	Financial institution	3 768	4 831 000 €	78	39 933 264,00	-	39 933 264,00
BMCE CASH	Financial institution	279 995	28 000 000	99,998	44 000 000,00		44 000 000,00
BMCE IMMOBILIER	Real estate investment	200 000	20 000 000	100,00	29 700 000,00	-	29 700 000,00
RM EXPERT	Debt collection	200 000	20 000 000	100,00	20 000 000,00		20 000 000,00
DOCUPRINT (STA)	Services	50 000	5 000 000	100,00	19 000 000,00		19 000 000,00
ACMAR	Insurance and services	100 000	50 000 000	20,00	10 001 000,00		10 001 000,00
BMCE CAPITAL BOURSE (maroc inter titres)	Securities brokerage	67 500	10 000 000	67,50	6 750 000,00		6 750 000,00
STE FINANCIERE Italie	Financial institution	600 000	600 000 EURO	100,00	6 358 800,00	6 358 800,00	0,00
BMCE CAPITAL GESTION (marfin)	Mutual fund management	250 000	25 000 000	100,00	6 442 928,01		6 442 928,01
Eurofric Informatique	IT services	41 000	10 000 000	41,00	4 100 000,00		4 100 000,00
BMCE ASSURANCES	Insurance	15 000	1 500 000	100,00	3 025 000,00		3 025 000,00
	Sces Back-office	50 000	5 000 000	100,00	5 000 000,00		5 000 000,00
IT International service	IT services	3 100	31 000 EURO	100,00	328 538,00	328 538,00	0,00
AKENZA IMMO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
SAISS IMMO NEJMA	Real estate development	100	10 000	100,00	10 000,00		10 000,00
SUX HILL PRIMERO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
SUX HILL SECONDO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
SUX HILL TERCIO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
NOUACER CITY IMMO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
MOHIT IMMO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
FARACHA IMMO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
KRAKER IMMO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
IKAMAT TILILA	Real estate development	1 000	100 000	100,00	1,00		1,00
BERLY IMMO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
ERRAHA NAKHIL	Real estate development	100	10 000	100,00	10 000,00		10 000,00
GOLEMPRIME IMMO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
ISKANE PRIMERO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
JASPE IMMO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
MAADEN SECONDO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
MONET IMMO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
NEROPRIM IMMO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
SALAM PRIMERO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
VILLASBUGAN IMMO	Real estate development	100	10 000	100,00	10 000,00		10 000,00
DENIM PRIMERO 1	Real estate development	100	10 000	100,00	10 000,00		10 000,00
512 INVESTMENTS IN RELATED COMPANIES					9 214 452 457,93	158 502 611,15	9 055 949 846,78

INVESTMENT SECURITIES

PROPARCO	International credit institution	1 263 425	984 373 280 EUR	2,05	170 039 855,60		170 039 855,60
E.S.F.G.	Foreign credit institution	923 105	207 075 338 EUR	0,45	168 978 361,30	168 978 361,30	0,00
E.S.I	Foreign credit institution	467 250	500 400 000 EUR	0,93	145 462 648,91	145 462 648,91	0,00
UBAE ARAB ITALIAN BANK	Foreign credit institution	63 032	261 185 870 EUR	2,65	70 204 805,66		70 204 805,66
AMETHIS FINANCE Luxembourg	Private equity	4 107	195 875 872 EUR	2,10	43 514 009,09	-	43 514 009,09
AMETHIS II	Private equity	2 546	191 499 936 EUR	1,33	27 135 829,27		27 135 829,27
BOURSE DE CASABLANCA	Stock exchange	310 014	387 517 900	8,00	31 373 416,80		31 373 416,80
MAROC NUMERIC FUND	Investment fund	150 000	75 000 000	20,00	15 000 000,00	7 565 958,69	7 434 041,31
MAROC NUMERIC FUND II	Investment fund	78 431	40 000 000	19,61	7 843 100,00	-	7 843 100,00
SEAF MOROCCO GROWTH FUND	Investment fund	114 623	180 000 000	6,37	6 512 300,00	-	6 512 300,00
BANQUE MAGHREBINE D'INVEST ET DU COMMERCE EXT	Credit institution	6 000	150 000 000 USD	4,00	26 751 300,00		26 751 300,00
FONDS D'INVESTISSEMENT DE L'ORIENTAL	Investment fund	107 500	150 000 000	7,17	10 750 000,00	5 395 207,12	5 354 792,88
INMAA SA	Services	53 333	20 000 000	26,67	5 333 300,00	2 322 981,74	3 010 318,26
AFREXIM BANK (African Import Export)	Foreign credit institution	30	583 524 000 USD	0,020	2 750 276,19		2 750 276,19
FONDS MONETAIRE ARABE (ARAB TRADE FINANCING PROGRAM)	Financial institution	50	986 635 000 USD	0,03	2 675 130,00		2 675 130,00

AZUR FUND	Investment fund	96 279	219 581 400	4,38	1 590 700,00		1 590 700,00
FIROGEST	Investment fund	2 500	2 000 000	12,50	250 000,00		250 000,00
SOCIETE MAROCAINE DE GESTION DES FONDS DE GARANTIE BANCAIRE	Guarantee fund management company	1 987	3 380 000	5,88	58 800,00	-	58 800,00
515 INVESTMENT SECURITIES					736 223 832,82	329 725 157,76	406 498 675,06
OTHER INVESTMENTS							
CFG GROUP	Investment banking	285 065	542 889 900	5,25	103 997 380,00		103 997 380,00
Mutandis SCA	Investment fund	832 458	799 673 700	10,41	96 807 463,69		96 807 463,69
Mutandis AUTOMOBILE SCA	Car dealership	846 892	630 000 000	13,44	91 359 341,97	4 239 562,00	87 119 779,97
ROYAL RANCHES MARRAKECH	Real estate development and tourism	106 667	800 000 000	13,33	60 000 000,00		60 000 000,00
SOGEPOS	Development company	46 216	35 000 000	13,20	4 621 600,00	-	4 621 600,00
LA CELLULOSE DU MAROC	Pulp and paper	52 864	700 484 000	0,75	3 393 433,00	3 393 433,00	0,00
SMAEX	Insurance and services	22 563	50 000 000	4,51	1 690 000,00		1 690 000,00
FRUMAT	Agribusiness	4 000	13 000 000	3,08	1 450 000,00	1 450 000,00	0,00
STE IMMOBILIERE SIEGE GPBM	Real estate	12 670	19 005 000	6,67	1 267 000,00		1 267 000,00
STE D'AMENAGEMENT DU PARC INDUSTRIE	Development company	10 000	60 429 000	1,65	1 000 000,00		1 000 000,00
MAROCLEAR	Central custodian	803	100 000 000	4,02	803 000,00		803 000,00
STE IPE	Printing and publishing	8 013	10 000 000	8,01	801 300,00		801 300,00
CASABLANCA PATRIMOINE S.A	Local development	5 000	31 000 000	1,61	500 000,00		500 000,00
GECOTEX	Manufacturing	5 000	10 000 000	5,00	500 000,00	500 000,00	0,00
SOCIETE ALLICOM MAROC	Manufacturing	5 000	20 000 000	2,50	500 000,00	500 000,00	0,00
DAR ADDAMANE	Guarantee institution	1 922	75 000 000	0,64	480 500,00	480 500,00	0,00
PORNET	IT services	1 800	11 326 800	1,59	180 000,00		180 000,00
SINCOMAR	Agribusiness	494	37 440 000	0,13	49 400,00	49 400,00	0,00
SWIFT	Services	23	434 020 000 EUR	0,01	22 856,39		22 856,39
DYAR AL MADINA	Real estate	640	20 000 000	0,32	8 500,00		8 500,00
RMA WATANYA	Insurance	5	1 796 170 800	0,00	1 972,84		1 972,84
RISMA	Tourism	10	1 432 694 700	0,00010	1 924,85		1 924,85
MEDI 1 TV	Audiovisual	59 774	199 245 600	3,00	1,00		1,00
516-9 OTHER INVESTMENTS					369 435 673,74	10 612 895,00	358 822 778,74
Associates Current Account							
RYAD ENNOUR					472 142 564,02		472 142 564,02
FARACHA IMMO					304 811 687,00		304 811 687,00
IT International Service ITIS					50 870 400,00	50 870 400,00	0,00
AKENZA IMMO					46 951 030,44		46 951 030,44
SUX HILL SECONDO					49 926 971,90		49 926 971,90
SAISS IMMO NEJMA					33 904 342,77		33 904 342,77
SUX HILL PRIMERO					25 800 582,57		25 800 582,57
SUX HILL TERCIO					16 058 037,76		16 058 037,76
MARTCO					1 500 000,00	1 500 000,00	0,00
Siège G.P.B.M.					723 209,80		723 209,80
ALLICOM MAROC					552 000,00	552 000,00	0,00
HANOUTY					1 614 954,21		1 614 954,21
ECO PARC					2 194 764,00		2 194 764,00
MOHIT IMMO					5 539 738,27		5 539 738,27
BMCE CASH					2 500 000,00		2 500 000,00
NOUACER CITY IMMO					43 588,00		43 588,00
KRAKER IMMO					21 894,00		21 894,00
BERLY IMMO					16 020,00		16 020,00
ERRAHA NAKHIL					16 050,00		16 050,00
GOLEMPRIME IMMO					16 050,00		16 050,00
ISKANE PRIMERO					16 010,00		16 010,00
JASPE IMMO					16 060,00		16 060,00
MAADEN SECONDO					16 000,00		16 000,00
MONET IMMO					16 080,00		16 080,00
NEROPRIM IMMO					15 980,00		15 980,00
SALAM PRIMERO					16 070,00		16 070,00
VILLASBUGAN IMMO					22 270,00		22 270,00
DENIM PRIMERO 1					16 040,00		16 040,00
514 SIMILAR INVESTMENTS					1 015 338 394,74	52 922 400,00	962 415 994,74
Total					11 650 864 936,23	583 873 501,91	11 066 991 434,32

SUBORDINATED DEBTS

	Amount				Included linked and related Companies	
	30/06/21		31/12/20		30/06/21	31/12/20
	Gross	Provisions	Net	Net	Net	Net
Subordinated loans to credit institutions and similar	195 526	-	195 526	193 551	195 526	193 551
Subordinated loans to customers	-	-	-	-	-	-
TOTAL	195 526	-	195 526	193 551	195 526	193 551

(in thousand MAD)

FIXED ASSETS ON LEASING, WITH OPTION TO PURCHASE, AND WITH SIMPLE LEASE

Immobilisations	Gross amount beginning of the year	Acquisitions of the year	Cessions of the year	Reallocation	Gross Amount year ended	Depreciation		Provisions			Net Amount year ended
						Depreciation	Total Depreciations	Provisions	Write-backs	Total Provisions	
Fixed Leasing Assets	241 552	1 060	1 060	-2 768	238 783	9 957	60 587	-	-	-	178 196
Leasing on intangible assets	6 561	-	-	-202	6 359	315	1 889	-	-	-	4 470
Furniture leasing	79 408	-	-	-167	79 242	5 233	47 096	-	-	-	32 146
- In progress	5 408	-	-	-167	5 242	-	-	-	-	-	5 242
- Leased	74 000	-	-	-	74 000	5 233	47 096	-	-	-	26 904
- Non Leased after termination	-	-	-	-	-	-	-	-	-	-	-
Real estate leasing	154 522	-	-	-2 399	152 123	4 409	11 603	-	-	-	140 520
- In progress	-	-	-	-	-	-	-	-	-	-	-
- Leased	154 522	-	-	-2 399	152 123	4 409	11 603	-	-	-	140 520
- Non leased after termination	-	-	-	-	-	-	-	-	-	-	-
Leased to perceive	1 060	1 060	1 060	-	1 060	-	-	-	-	-	1 060
Restructured leases	-	-	-	-	-	-	-	-	-	-	-
Non paid leases	-	-	-	-	-	-	-	-	-	-	-
Non performing loans	-	-	-	-	-	-	-	-	-	-	-
Fixed assets given on simple lease	-	-	-	-	-	-	-	-	-	-	-
Furniture given on simple lease	-	-	-	-	-	-	-	-	-	-	-
Real-estate given on simple lease	-	-	-	-	-	-	-	-	-	-	-
Leases to perceive	-	-	-	-	-	-	-	-	-	-	-
Restructured leases	-	-	-	-	-	-	-	-	-	-	-
Non paid leases	-	-	-	-	-	-	-	-	-	-	-
Non performing loans	-	-	-	-	-	-	-	-	-	-	-
TOTAL	241 552	1 060	1 060	-2 768	238 783	9 957	60 587	-	-	-	178 196

(in thousand MAD)

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

TYPE	“Gross amount at beginning of year”	Gross reclassification during the year	Gross reclassification during the year / Other changes	Acquisitions during the year	Disposals or withdrawals during the year	Amortisation and/or Provisions						Net amount at end of year
						Amortisation and/or provisions at beginning of year	Amortisation reclassification during year	Amortisation reclassification during year / Other changes	Amortisation for the year	Amortisation for removed asset	Accumulated amortisation	
Intangible assets	1 196 745	-377	212 144	71 373	1 337 139	613 006	-	-310	56 960	-	669 656	667 483
Lease rights	97 089	-32	-	-	97 057	-	-	-	-	-	-	97 057
Research and development	-	-	-	-	-	-	-	-	-	-	-	-
Other intangible assets used in operations	1 099 656	-345	212 144	71 373	1 240 081	613 006	-	-310	56 960	-	669 656	570 425
Intangible assets not used in operations	-	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment used in operations	9 599 462	-1 361	491 442	3 000	10 086 544	4 204 197	-	-160	103 857	1 741	4 306 154	5 780 390
Buildings used in operations	1 743 077	-	435 283	-	2 178 360	382 643	-	-	15 340	-	397 984	1 780 376
Land used in operations	231 167	-	-	-	231 167	-	-	-	-	-	-	231 167
Buildings used in operations - Offices	1 511 911	-	435 283	-	1 947 193	382 643	-	-	15 340	-	397 984	1 549 210
Buildings used in operations - Staff accommodation	-	-	-	-	-	-	-	-	-	-	-	-
Movable property and equipment used in operations	1 989 871	-58	8 118	-	1 997 931	1 735 112	-	-56	31 199	-	1 766 256	231 676
Office furniture used in operations	540 510	2	4 506	-	545 019	408 412	-	2	7 620	-	416 033	128 986
Office equipment used in operations	221 516	-31	1 891	-	223 376	205 136	-	-28	4 157	-	209 264	14 112
IT equipment	1 044 868	-30	1 681	-	1 046 519	973 313	-	-29	12 684	-	985 968	60 551
Vehicles used in operations	75 481	-	-	-	75 481	55 645	-	-	5 409	-	61 054	14 426
Other equipment used in operations	107 496	-	40	-	107 536	92 607	-	-	1 329	-	93 936	13 600
Other property, plant and equipment used in operations	2 123 278	-110	40 935	-	2 164 102	1 752 435	-	-104	38 971	-	1 791 302	372 800
Property, plant and equipment not used in operations	3 743 236	-1 192	7 106	3 000	3 746 150	334 007	-	-	18 347	1 741	350 613	3 395 538
Land not used in operations	2 926 723	-1 709	5 550	600	2 929 965	-	-	-	-	-	-	2 929 965
Buildings not used in operations	665 126	517	-	2 400	663 243	213 928	-	-	15 389	1 741	227 576	435 667
Movable property and equipment not used in operations	69 713	-	1 097	-	70 810	54 466	-	-	1 394	-	55 860	14 950
Other property, plant and equipment not used in operations	81 674	-	458	-	82 133	65 613	-	-	1 563	-	67 177	14 956
TOTAL	10 796 207	-1 738	703 586	74 373	11 423 682	4 817 204	-	-470	160 817	1 741	4 975 810	6 447 873

(in thousand MAD)

DISPOSAL OF TANGIBLE AND INTANGIBLE FIXED ASSETS

Sale or withdrawal date	Nature	Gross book value	Accumulated depreciation and/or provisions	Net book value	Revenues from disposals	Capital gain on disposals	Capital loss on disposal
15/06/21	LAND	500	-	500			-
15/06/21	BUILDINGS	2 000	1 451	549			
15/06/21	LAND	100	-	100	2 000	741	
15/06/21	BUILDINGS	400	290	110			
TOTAL		3 000	1 741	1 259	2 000	741	-

(in thousand MAD)

DEBTS TO CREDIT INSTITUTIONS AND EQUIVALENT

Debts	Bank Al- Maghrib, Treasury and giro current account	Banks in Morocco	Other credit institutions and equivalent in Morocco	Credit institutions abroad	Total 30/06/2021	Total 31 / 12 / 2020
Ordinary credit accounts	-	54 055	511 793	916 962	1 482 810	1 713 110
Securities pledged	16 138 090	4 075 847	2 499 916	1 049 754	23 763 607	20 282 097
- Overnight	2 400 056	499 940	-	-	2 899 996	250 039
- Time	13 738 034	3 575 907	2 499 916	1 049 754	20 863 611	20 032 058
Cash Borrowings	-	2 612 223	8 326 628	1 610 782	12 549 634	10 972 937
- Overnight	-	856 684	600 000	-	1 456 684	576 478
- Time	-	1 755 539	7 726 628	1 610 782	11 092 950	10 396 459
Financial borrowings	-	1 202 904	308 354	1 580 703	3 091 961	3 572 075
Other debts	9 212	398	36 827	222 928	269 365	459 658
Payable accrued interests	2 801	10 754	22 591	8 584	44 730	34 622
TOTAL	16 150 103	7 956 181	11 706 109	5 389 713	41 202 106	37 034 499

(in thousand MAD)

CUSTOMER DEPOSITS

Deposits	Public sector	Private sector			Total 30/06/2021	Total 31/12/2020
		Financial companies	Non financial companies	Other companies		
Demand acedit accounts	1 992 991	2 764 267	18 883 383	62 812 401	86 453 042	85 863 398
Saving accounts	-	-	-	25 467 389	25 467 389	25 028 457
Time Deposits	1 060 885	5 942 000	1 196 452	11 546 163	19 745 500	17 451 937
Other credit accounts	2 959 168	619 568	2 340 726	548 324	6 467 786	6 139 533
Payable accrued interests	24 716	38 310	22 245	161 892	247 163	309 196
TOTAL	6 037 760	9 364 145	22 442 806	100 536 168	138 380 879	134 792 521

(in thousand MAD)

DEBT SECURITIES ISSUED AT 30 JUNE 2021

Issue	Issue date	Maturity	Interest rate	Volume
CD BOA	02/08/19	02/08/21	2,70%	160 000,00
CD BOA	09/09/19	09/09/21	2,68%	50 000,00
CD BOA	09/09/19	09/09/22	2,76%	225 000,00
CD BOA	15/10/19	15/10/22	2,79%	765 000,00
CD BOA	03/12/19	03/12/21	2,67%	350 000,00
CD BOA	03/12/19	03/12/22	2,75%	615 000,00
CD BOA	16/01/20	16/01/23	2,72%	200 000,00
CD BOA	14/10/20	14/10/21	1,94%	235 000,00
CD BOA	14/10/20	14/10/22	2,20%	450 000,00
CD BOA	22/12/20	21/12/21	2,01%	320 000,00
CD BOA	22/12/20	22/12/22	2,22%	200 000,00
CD BOA	19/01/21	18/01/22	1,86%	400 000,00
CD BOA	26/04/21	25/10/21	1,65%	145 000,00
CD BOA	26/04/21	25/04/22	1,78%	1 075 000,00
CD BOA	26/04/21	26/04/23	1,99%	865 000,00
CD BOA	26/04/21	26/04/24	2,13%	1 050 000,00
CD BOA	06/05/21	06/05/23	2,00%	420 000,00
CD BOA	06/05/21	06/05/24	2,13%	420 000,00
BOND ISSUE	21/11/16	21/11/26	2,83%	411 200,00
BOND ISSUE	21/11/16	21/11/26	3,16%	88 800,00
			TOTAL	8 445 000

DETAIL OF OTHER LIABILITIES

	30/06/21	31/12/20
LIABILITIES	-3 875	-6 718
Optional Instruments Sold	2 426	98 220
Miscellaneous Transactions on Securities	1 973 220	1 169 357
Other Creditors	936 040	1 023 809
State debt	50 067	49 955
Social security and provident societies debts	148 052	129 844
Staff debt	1 028 057	23
Shareholders and partners debt	-23 484	-13 387
Supply of goods and services	-165 513	-20 888
Other creditors	2 637 804	2 284 503
Accrual Accounts	134 157	160 221
Adjustment accounts of off-balance sheet transactions	983	-
Currencies and securities differential accounts	-	-
Profit on hedging instruments	114 089	54 246
Liaison accounts between the head office, branches and Moroccan branches	333 602	282 050
Expenses payable and prepaid income	2 054 974	1 787 986
Other accruals	4 609 575	3 545 361
TOTAL	11 663 440	3 968 135

(in thousand MAD)

PROVISIONS	Amount 31/12/20	Allowances	Write back	Other changes	Outstanding 30/06/21
Provisions, deducted from assets, on :	6 657 561	645 447	150 061	13 353	7 139 594
Loans to credit institutions and equivalent	5	-	-	-	5
Loans and advances to customers	6 017 584	605 094	110 575	417	6 511 686
Doubtful interest	3 676	-	-	-	3 676
Marketable securities	40 590	40 353	39 486	1 104	40 353
Equity investments and equivalent assets	595 706	-	-	11 832	583 874
Leased and rented fixed assets	-	-	-	-	-
Other assets	-	-	-	-	-
Provisions Recorded under liabilities	1 735 843	11 911	206 486	1	1 541 267
Provisions for risks of fulfilment of commitments	24 298	2 020	633	-	25 685
Contingent liabilities	-	-	-	-	-
Provisions for general risks	1 077 525	4 599	69 300	-	1 012 824
Provisions for retirement pensions and similar obligations	-	-	-	-	-
Other contingent liabilities (E.C)	119 315	-	72 215	1	47 099
Regulated provisions	514 706	5 292	64 338	-	455 660
TOTAL	8 393 405	657 358	356 547	13 354	8 680 862

SUBORDINATED DEBTS

Currency	Debt amount	closing exchange rate	Interest rate	Term	Conditions for anticipated re- imbursement, subordinated and convert- ibility	Debt amount in thousands MAD
DH	150 000	1	6,95%	Perpetual		150 000
DH	850 000	1	4,31%	Perpetual		850 000
DH	950 000	1	4,18%	Perpetual		950 000
DH	50 000	1	5,30%	Perpetual		50 000
DH	160 000	1	6,18%	10 years		160 000
DH	50 000	1	6,18%	10 years		50 000
DH	790 000	1	3,52%	10 years		790 000
DH	154 500	1	5,64%	10 years		154 500
DH	845 500	1	3,42%	10 years		845 500
DH	626 000	1	4,74%	10 years		626 000
DH	1 374 000	1	3,22%	10 years		1 374 000
DH	447 200	1	3,74%	10 years		447 200
DH	78 900	1	3,74%	10 years		78 900
DH	1 473 900	1	2,97%	10 years		1 473 900
DH	200 000	1	7,05%	Perpetual		200 000
DH	800 000	1	5,34%	Perpetual		800 000
DH	400 000	1	3,18%	10 years		400 000
						9 400 000

SHAREHOLDER'S EQUITY	Amount 31/12/20	Allocation of earning	Other changes	Outstanding 30/06/21
REVALUATION RESERVE	-	-	-	-
Additional paid-in capital	17 568 566	-303 852	-42 330	17 222 384
- Legal reserve	460 306	-	-	460 306
- Other reserves	8 006 294	-303 852	-42 330	7 660 112
- Issuance, merger and contribution premiums	9 101 966	-	-	9 101 966
Capital	2 056 066	-	-	2 056 066
Called-up capital	2 056 066	-	-	2 056 066
Uncalled capital	-	-	-	-
Investment certificates	-	-	-	-
Allowance fund	-	-	-	-
Shareholders. Unpaid-up capital	-	-	-	-
Retained earnings (+/-)	20	-	-	20
Net earnings being appropriated (+/-)	-	-	-	-
Net earnings for fiscal year(+/-)	724 181	-	-	1 094 611
TOTAL	20 348 834	-303 852	-42 330	20 373 081

(In thousand MAD)

FINANCING AND GUARANTEE COMMITMENTS	30/06/21	31/12/20
Financing and guarantee commitments given	20 705 046	20 647 050
Financing commitments on behalf of credit institutions and equivalent	117 799	418 241
- Import letters of credit	-	-
- Payment acceptances or commitments	-	-
- Opening of confirmed credit	117 799	418 241
- Substitution commitments on issuing of securities	-	-
- Irrevocable leasing commitments	-	-
- Other financing commitments given	-	-
Financing commitments on behalf of customers	6 969 031	6 661 576
- Import letters of credit	2 406 193	2 946 978
- Payment acceptances or commitments	990 108	543 183
- Opening of confirmed credit	1 945 827	1 415 124
- Substitution commitments on issuing of securities	-	-
- Irrevocable leasing commitments	4	5
- Other financing commitments given	1 626 898	1 756 287
Guarantee commitments for credit institutions and equivalent	4 096 330	4 027 365
- Confirmed export letters of credit	16 871	18 960
- Payment acceptances or commitments	637	1 053
- Credit guarantees given	-	-
- Other securities, endorsements and guarantees given	680 661	285 906
- Non performing commitments	3 398 162	3 721 446
Guarantee commitments for customers	9 521 886	9 539 868
- Credit guarantees given	-	-
- Securities and guarantees given on behalf of the public administration	5 947 039	6 099 572
- Other securities and guarantees given	3 574 847	3 440 296
- Non performing commitments	-	-
Financing and guarantee commitments received	23 947 141	21 008 649
Financing commitments received from credit institutions and equivalent	-	-
- Opening of confirmed credit	-	-
- Substitution commitments on issuing of securities	-	-
- Other financing commitments received	-	-
Guarantee commitments received from credit institutions and equivalent	21 536 713	18 598 222
- Credit guarantees	9 496 972	8 528 585
- Other guarantees received	12 039 741	10 069 637
Guarantee commitments received from the state and other guarantee institutions	2 410 428	2 410 428
- Credit guarantees	2 410 428	1 135 772
- Other guarantees received	-	1 274 656

(In thousand MAD)

COMMITMENTS ON SECURITIES	AMOUNT
Given commitments	4 779 408
- Securities repos purchased	-
- Other securities to be delivered	4 779 408
Received commitments	67 926
- Securities repos sold	-
- Other securities to be received	67 926

(In thousand MAD)

FORWARD EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES	Holding transaction		Other transaction	
	30/06/21	31/12/20	30/06/21	31/12/20
Forward exchange transactions	25 161 316	27 432 659	-	-
Currency to be received	7 240 823	8 132 051	-	-
Currency to be delivered	2 715 787	2 928 286	-	-
Dirhams to be received	9 855 884	10 772 229	-	-
Dirhams to be delivered	5 348 822	5 600 093	-	-
Of which financial currency swaps	-	-	-	-
Commitments on derivatives	2 790 241	2 210 544	-	-
Commitments on regulated interest rate markets	-	-	-	-
Commitments on OTC interest rate markets	1 715 317	1 594 744	-	-
Commitments on regulated exchange rate markets	-	-	-	-
Commitments on OTC exchange rate markets	12 031	-	-	28 345
Commitments on regulated markets for other instruments	175 612	74 266	-	-
Commitments on OTC markets for other instruments	887 281	541 534	-	-

(In thousand MAD)

SECURITIES RECEIVED AND GIVEN AS COLLATERAL

Securities received as collateral	Net book value	Loans or given commitments posted to assets or to off balance sheet	Amount of loans and given commitments
Treasury bills and equivalent	11 752 240	-	-
Other securities	6 949 775	-	-
Mortgages	105 777 871	-	-
Other securities received as collateral	247 891 456	-	-
TOTAL	372 371 342	-	-

Securities given as collateral	Net book value	Debts or received commitments posted to liabilities or to off balance sheet	Amount of debts and received commitments
Treasury bills and equivalent	17 531 034	-	-
Other securities	-	-	-
Mortgages	-	-	-
Other securities received as collateral	776 934	-	-
TOTAL	18 307 968	-	-

(In thousand MAD)

BREAKDOWN OF USES AND RESOURCES ACCORDING TO RESIDUAL MATURITIES

	D < 1 month	1 month < D < 3 months	3 months < D < 1 year	1 year < D < 5 years	D > 5 years	TOTAL
ASSETS						
Loans to credit institutions and equivalent	5 836 062	4 530 617	3 230 261	7 607 661	1 208 536	22 413 136
Loans and advances to customers	31 050 956	14 926 592	12 744 403	32 248 164	38 632 161	129 602 276
Debt securities	20 393 245	1 608 878	1 663 780	7 373 293	7 342 323	38 381 519
Subordinated loans	-	-	-	-	195 526	195 526
Leasing and equivalent	3 735	1 255	11 506	51 089	110 612	178 196
TOTAL	57 283 998	21 067 342	17 649 949	47 280 207	47 489 158	190 770 653
LIABILITIES						
Liabilities to credit institutions and equivalent	26 830 082	3 811 655	7 307 599	3 133 796	36 479	41 119 611
Debts to customers	14 737 964	27 978 807	84 808 822	10 843 189	12 098	138 380 879
Debt securities issued	161 622	50 507	2 550 601	5 262 824	505 069	8 530 623
Subordinated borrowings	-	-	-	2 020 329	7 475 219	9 495 548
TOTAL	41 729 668	31 840 969	94 667 022	21 260 138	8 028 865	197 526 661

(In thousand MAD)

CONCENTRATION OF RISK ON THE SAME BENEFICIARY

Number	Total amount of risks	Amount of risk by passing 5% of capital		
		Operating loans	Contracting loans	Amount of securities held in the capital of the beneficiary
17	44 562 098	33 503 011	3 443 384	535 674

(In thousand MAD)

BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET IN FOREIGN CURRENCY		AMOUNT
ASSETS		42 807 663
Cash, central banks, treasury, giro accounts		116 572
Loans to credit institutions and equivalent		19 718 861
Loans and advances to customers		9 167 183
Transaction, marketable and investment securities		7 227 942
Other assets		439 815
Equity investments and equivalent uses		5 866 399
Subordinated loans		187 585
Fixed assets leased and rented		80 829
Intangible and tangible fixed assets		2 477
LIABILITIES		30 557 484
Central banks, treasury, giro accounts		-
Liabilities to credit institutions and equivalent		24 861 275
Customer deposits		5 607 503
Debt securities issued		-
Other liabilities		88 706
Subordinated debts		-
Subsidies, assigned public funds and special guarantee funds		-
OFF-BALANCE SHEET		-
Given commitment		4 838 907
Received commitment		4 893 315

(In thousand MAD)

NET INTEREST INCOME	30/06/21	30/06/20
Interest received	3 107 405	3 404 020
Interest and similar income on transactions with credit institutions	123 489	440 641
Interest and similar income on transactions with customers	2 701 012	2 694 911
Interest and similar income on debt securities	282 904	268 469
Interest paid	1 007 822	1 390 772
Interest and similar fees on transactions with credit institutions	284 227	707 302
Interest and similar fees on transactions with customers	431 870	563 311
Interest and similar fees on debt securities	291 725	120 159

(In thousand MAD)

NON-PERFORMING LOANS TO SOCIAL CUSTOMERS	30/06/21		31/12/20	
	Credit lines	Provisions for credit lines	Credit lines	Provisions for credit lines
Pre-doubtful loans	600 976	59 846	753 656	123 807
Non performing loans	2 823 785	1 405 773	2 125 768	1 120 691
Doubtful debts	7 281 103	5 049 749	6 863 795	4 776 768
TOTAL	10 705 864	6 515 368	9 743 220	6 021 266

(In thousand MAD)

REVENUES FROM INVESTMENT SECURITIES	30/06/21	30/06/20
Equity Securities	7 716	11 440
Equity in affiliates	662 509	537 291
Equity in portfolio	-	133
Other securities	44 339	62 387
TOTAL	714 564	611 251

(In thousand MAD)

COMMISSIONS	30/06/21	30/06/20
Fees received	639 110	661 068
On transactions with credit institutions	-	-
On transactions with customers	216 366	215 524
Concerning operations on the primary securities markets	61 591	110 697
On derivatives	21 196	21 062
On transactions on securities under management and custody	-	-
On means of payment	7 099	9 616
On consulting and assistance	192 751	183 030
On sales of insurance products	-	-
On other services	29 475	18 288
Fees paid	110 632	102 851
On transactions with credit institutions	127 838	171 674
On transactions with customers	-	-
Concerning operations on the primary securities markets	-	-
On derivatives	35 366	59 431
On transactions on securities under management and custody	-	-
On means of payment	141	156
On consulting and assistance	51 873	6 363
On sales of insurance products	40 458	39 071
On other services	-	-
On sales of insurance products	-	-
On other services	-	66 652

(in thousand MAD)

INCOME FROM MARKET TRANSACTIONS	30/06/21	30/06/20
Revenues	1 262 443	2 620 631
Gains on transactions securities	420 907	829 483
Capital gains on disposals of marketable securities	76 105	57 558
Provision write-backs on depreciation of marketable securities	39 486	43 489
Gains on derivatives	59 396	145 802
Gains on exchange transactions	666 548	1 544 299
Expenses	654 430	1 999 944
Losses on transaction securities	23 633	282 380
Capital losses on disposals of marketable securities	74 647	1 623
Provisions for depreciation of marketable securities	40 353	42 658
Losses on derivatives	55 601	259 899
Losses on exchange transactions	460 196	1 413 385
Earning	608 014	620 686

(in thousand MAD)

GENERAL OPERATING EXPENSES	30/06/21	30/06/20
Staff expenses	816 340	775 925
Taxes	52 556	52 310
External expenses	751 362	731 717
Allowances for depreciation and provision for intangible and tangible fixed assets	160 817	145 694

(in thousand MAD)

OTHER REVENUES AND EXPENSES	30/06/21	30/06/20
Revenues and expenses	-	
Other banking revenues and expenses	390 294	427 402
Other banking revenues	1 324 074	2 731 360
Other banking expenses	933 780	2 303 958
Non-banking operating revenues and expenses	-17 486	26 907
Non-banking operating revenues	33 575	39 957
Non-banking operating expenses	51 061	13 050
Other expenses		
Allowances for provisions and loan losses	826 452	737 954
Other revenues		
Provision write-backs and recoveries on amortised debts	264 758	104 002

(in thousand MAD)

RECONCILIATION OF NET INCOME FOR ACCOUNTING AND TAX PURPOSES	
I- Net income for accounting purposes	1 094 611
Net profit	
Net loss	
II- Tax write-backs	338 925
1- Current	61 415
Non-deductible expenses	61 415
General provisions	0
2- Non-current	277 510
Corporate income tax	270 889
Provision for REIT tax	6 621
III- Tax deductions	881 283
1- Current	
Dividends	678 547
2- Non-current	
PV REIT	202 736
VI- Net income for tax purposes	552 254
Corporate income tax	
VI- Net income for tax purposes	

DETERMINATION OF CURRENT EARNINGS AFTER-TAX	AMOUNT
Current earnings according to the income statement	1 423 419
(+) Tax reintegration to current transactions	61 415
(-) Tax deductions on current transactions	678 547
(=) Current earnings theoretically taxable	806 287
(-) Theoretical tax on current earnings	298 326
(=) Current earnings after tax	1 125 093
II. Indications of the tax system and the incentives Granted by the investment codes or by specific provisions	

(in thousand MAD)

DETAIL ON VALUE ADD TAX

CATEGORY	Balance at the beginning of the fiscal year 1	Accounting operations of the fiscal year 2	VAT claims for the fiscal year 3	VAT claims for the end of the fiscal year (4=1+2-3)
A. VAT Collected	87 777	309 475	315 143	82 108
B. VAT to be Recovered	61 294	230 976	247 005	45 264
* On expenses	38 032	147 405	158 967	26 470
* On fixed assets	23 262	83 570	88 038	18 794
C. T.V.A = (A - B)	26 483	78 499	68 138	36 844

(in thousand MAD)

DISTRIBUTION OF THE SHARE CAPITAL

Amount of the capital : 2 056 066 480 MAD

Amount of the uncalled committed capital:-

Nominal value: 10.00

Name of the main shareholders	Address	Number of shares		(% of capital held)	(% of voting rights)
		Preivous year	Current year		
A- Moroccan shareholders					
ROYALE MAROCAINE D'ASSURANCES *	83, avenue des FAR 20000 - Casablanca	54 678 598	54 678 388	26.59%	
O CAPITAL GROUP	81-83 Avenue de l'Armée Royale - Casablanca	16 493 181	16 509 923	8.03%	
SOCIETE FINANCIERE DU CREDIT DU MAGHREB	67, avenue de l'Armée Royale 20000 - Casablanca	1 810 717	1 810 717	0.88%	
CAISSE INTERPROFESSIONNELLE MAROCAINE DE RETRAITES **	100, Boulevard Abdelmoumen-20340- Casablanca	8 088 813	8 088 813	3.93%	
CAISSE DE DEPOT ET DE GESTION ***	Place Moulay El Hassan - ex Piétri -BP 408 - Rabat	17 108 805	17 108 805	8.32%	
Groupe MAMDA/MCMA ****	Angle Avenue Mohammed VI et rue Houmane El Fatouaki - Rabat	10 310 567	10 310 563	5.01%	
BANK OF AFRICA PERSONNEL FREE-FLOAT		2 245 325	2 244 850	1.09%	
TOTAL (1)		144 058 403	144 058 403	70.07%	
B- Foreign shareholders					
BANQUE FEDERATIVE DU CREDIT MUTUEL	4 rue Frédéric-Guillaume Raiffeisen, 67000 Strasbourg, France	50 492 025	50 492 025	24.56%	
CDC GROUP PLC***	123, Victoria Street, London SW1E 6DE, United Kingdom	11 056 220	11 056 220	5.38%	
TOTAL (2)		61 548 245	61 548 245	29.93%	
TOTAL		- 205 606 648	100%		

* Including shares held by RMA's designated mutual funds (2,930,019 shares)

** As confirmed by the shareholder as of 28/02/2021 (Shares not registered with Bank of Africa)

*** Post September 2020 capital increase (Shares not registered with BANK OF AFRICA)

**** MAMDA/MCMA Group detail (as confirmed by the shareholder):

MAMDA 41
MCMA 6 282 315
MAC 4 028 207

ALLOCATION OF EARNINGS THAT OCCURED DURING THE FISCAL YEAR

A- Origin of the earnings allocated	Amount	B- Income allocation	Amount
Decision of: 27 May 2005			
Retained earnings	20	Legal reserves	-
Net earnings being allocated	-	Dividends	1 028 033
Net earnings for the fiscal year	724 181	Other allocations	20
Withdrawals from earnings	-		
Other withdrawals	303 852		
TOTAL A	1 028 053	TOTAL B	1 028 053

(in thousand MAD)

EARNINGS AND OTHER ELEMENTS OF THE LAST THREE FISCAL YEARS	30/06/20	31/12/19	31/12/18
Equity capital and equivalent	29 868 629	29 941 350	29 435 162
Operations and earnings for the fiscal year	-	-	-
1- Net banking income	3 783 673	6 300 631	6 476 729
2- Pre-tax earnings	1 365 500	998 994	2 012 790
3- Corporate tax	270 889	276 767	640 940
4- Dividends distributed	724 181	999 102	897 317
5- Earnings not distributed	-	372 800	446 300
Earnings per share (in MAD)	-	-	-
Net earnings per share	3,52	6,87	6,87
Earnings distributed per share	3,52	5,00	5,00
Staff	-	-	-
Gross remunerations for the year	-	1 553 520	1 631 096
Average number of staff employed during the fiscal year	-	5 038	5 099

(in thousand MAD)

DATING AND SUBSEQUENT EVENTS

I- DATING

Date of the end of the fiscal year (1)	30/06/21
Date of financial statements performance (2)	
(1) Justification in case of a change in the date of the end of the fiscal year	
(2) Justification in case of an overrun on the statutory period of three months allowed for drawing up the financial statements	

II. EVENTS OCCURRING SUBSEQUENT TO THE END OF THE FISCAL YEAR NOT CHARGED TO THIS YEAR AND KNOWN BEFORE THE 1ST EXTERNAL DISCLOSURE OF THE FINANCIAL STATEMENTS

Dates	Event's Indication
	. Favorable
	. Unfavorable

STAFF NUMBERS	30/06/21	31/12/20
Staff remunerated	5 011	4 987
Staff employed	5 011	4 987
Equivalent full time staff	5 011	4 987
Administrative and technical staff (full-time equivalent)	-	-
Staff assigned to banking tasks (full-time equivalent)	-	-
Executives (full-time equivalent)	4 885	4 889
Employees (full-time equivalent)	126	98
Of which employees working abroad	48	51

(In number)

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR UNDER CUSTODY	Number of accounts		Amounts	
	30/06/21	31/12/20	30/06/21	31/12/20
Securities of which the institution is custodian	38 929	38 705	260 300 000	237 468 249
Securities managed under mandate	-	-	-	-
Mutual funds of which the institution is custodian	93	93	124 900 000	113 999 547
Mutual funds managed under mandate	-	-	-	-
Other assets of which the institution is custodian	-	-	-	-
Other assets managed under mandate	-	-	-	-

(in thousand MAD)

NETWORK	30/06/21	31/12/20
Permanent branches	703	707
Temporary branches		-
ATMs	850	862
Main branches and branches abroad	40	41
Representative offices abroad	5	5

(In number)

NUMBER OF CUSTOMER ACCOUNTS	30/06/21	31/12/20
Customer accounts	132 693	130 691
Current accounts	208 906	229 760
Check accounts excluding Moroccan expatriates	1 327 571	1 354 711
Moroccan expatriates accounts	-	-
Factoring accounts	784 381	829 443
Savings accounts	6 576	7 550
Time deposits	652	968
Interest-bearing notes	-	-

(in number)

TANGIER OFFSHORE

ASSETS	30/06/21	31/12/20
Cash, central banks, treasury, giro accounts	1 391	1 746
Loans to credit institutions and equivalent	6 008 492	6 630 827
. Demand	1 145 669	1 188 017
. Time	4 862 823	5 442 810
Loans and advances to customers	4 791 191	3 735 501
. Cash and consumer loans	1 462 798	424 067
. Equipment loans	3 328 393	3 311 434
. Mortgage loans	-	-
. Other loans	-	-
Advances acquired by factoring	-	-
Transaction and marketable securities	294 833	580 626
. Treasury bonds and equivalent securities	197 071	439 600
. Other debt securities	-	-
. Title deeds	97 762	141 026
. Sukuks Certificates	-	-
Other assets	742 276	742 739
Investment securities	2 388 771	2 259 763
. Treasury bonds and equivalent securities	-	-
. Other debt securities	2 388 771	2 259 763
. Sukuks Certificates	-	-
Equity investments and equivalent uses	-	-
. Investments in joint ventures	-	-
. Other equity securities and similar assets	-	-
. Moudaraba and Moucharaka securities	-	-
Subordinated loans	-	-
Placed investment deposits	-	-
Leased and rented fixed assets	80 829	86 393
Ijara leased assets	-	-
Intangible fixed assets	2 114	2 181
Tangible fixed assets	363	364
TOTAL ASSETS	14 310 260	14 040 140

(In thousand MAD)

LIABILITIES	30/06/21	31/12/20
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	12 078 173	11 732 765
. Demand	724 436	734 303
. Time	11 353 737	10 998 462
Customer deposits	1 545 423	1 504 805
. Demand deposits	1 311 718	1 248 272
. Savings deposits	-	-
. Time deposits	177 043	189 056
. Other deposits	56 662	67 477
Customer borrowings and deposits on participatory products	-	-
Debt securities issued	-	-
. Negotiable debt securities	-	-
. Bond loans	-	-
. Other debt securities issued	-	-
Other liabilities	505 884	557 161
Provisions for liabilities and charges	562	567
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	-	-
Received investment deposits	-	-
Revaluation reserve	-	-
Reserves and premiums related to capital	106 972	108 091
Capital	4 459	4 452
Shareholders unpaid-up capital (-)	-	-
Retained earnings (+/-)	-	-
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	68 790	132 299
TOTAL LIABILITIES	14 310 263	14 040 140

(In thousand MAD)

BALANCE SHEET	30/06/21	31/12/20
Given commitments	312 632	375 316
Financing commitments on behalf of credit institutions and equivalent	-	-
Financing commitments on behalf of customers	4	4 231
Guarantee commitments given to credit institutions and equivalent	247 698	318 438
Guarantee commitments given to customers	64 930	49 417
Securities repos purchased	-	-
Other securities to be delivered	-	3 230
Received commitments	4 834 759	2 750 890
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	3 671 382	1 753 481
Guarantee commitments received from the State and various guarantee bodies	1 163 377	994 181
Securities repos sold	-	-
Other securities to be received	-	3 228
Moucharaka and Moudaraba securities to be received	-	-

(In thousand MAD)

INCOME STATEMENT	30/06/21	30/06/20
BANK OPERATING INCOME	283 821	827 717
Interests and assimilated revenues on transactions with credit institutions	48 081	222 890
Interests and assimilated revenues on transactions with customers	61 440	58 395
Interests and assimilated revenues on debt securities	43 160	57 739
Revenue from property securities (1) and Sukuks certificates	2 573	2 283
Revenue from Moudaraba and Moucharaka securities	-	-
Revenues from leased and rented fixed assets	3 801	7 890
Revenue from leased assets (Ijara)	-	-
Fees on provided services	5 591	3 568
Other banking revenues	119 175	474 952
Cost transfer on received investment deposits	-	-
BANK OPERATING EXPENSES	169 349	742 973
Interests and assimilated expenses on transactions with credit institutions	44 714	224 023
Interests and assimilated expenses on transactions with customers	1 030	3 071
Interests and assimilated expenses on debt securities issued	-	-
Expenses from Moudaraba and Moucharaka securities	-	-
Expenses on leased and rented fixed assets	2 901	-
Expenses from leased assets (Ijara)	-	-
Other banking expenses	120 704	515 879
Cost transfer on received investment deposits	-	-
NET BANKING INCOME	114 472	84 744
Non-banking operating revenues	-	-
Non-banking operating expenses	-	-
GENERAL OPERATING EXPENSES	2 289	2 445
Staff expenses	1 623	1 811
Tax expenses	-	-
External expenses	666	634
Other general operating expenses	-	-
Allowances for depreciation and provisions for intangible and tangible fixed assets	-	-
ALLOWANCES FOR PROVISIONS AND LOAN LOSSES	7	7
Allowances for non performing loans and commitments	-	-
Loan losses	7	7
Other allowances for provisions	-	-
PROVISION WRITE-BACKS AND RECOVERY ON AMORTISED DEBTS	-	22 001
Provision write-backs on non performing loans and commitments	-	-
Recovery on amortised debts	-	-
Other provision write-backs	-	22 001
CURRENT INCOME	112 176	104 293
Non-current revenues	-	-
Non-current expenses	3 567	2 751
PRE-TAX EARNINGS	108 609	101 542
Corporate tax	39 819	38 588
NET EARNINGS FOR THE YEAR	68 790	62 954

(In thousand MAD)

EARNINGS FORMATION TABLE	30/06/21	30/06/20
(+) Interests and equivalent revenues	152 681	339 024
(-) Interests and equivalent expenses	45 743	227 094
NET INTEREST INCOME	106 938	111 930
(+) Revenues from leased and rented fixed assets	-	-
(-) Expenses on leased and rented fixed assets	-	-
INCOME FROM ON PARTICIPATIVE FUNDING	-	-
(+) Profit from leasing and renting operations	3 801	7 890
(-) Expenses from leasing and renting operations	2 901	-
Income from leasing and rental operations	900	7 890
(+) Revenue from leased assets (Ijara)	-	-
(-) Expenses from leased assets (Ijara)	-	-
Income from Ijara operation (1)	-	-
(+) Fees received	5 704	3 861
(-) Fees paid	98	169
Fee income (1)	5 606	3 692
(+) Income from trading securities	-35	-2 122
(+) Income from investment securities	591	56 766
(+) Income from payload operations	-3 087	-93 828
(+) Income from by-product operation	1 021	-1 640
Income from market transactions (1)	-1 510	-40 824
(+/-) Income from Moudaraba and Moucharaka securities	-	-
(+) other banking products	2 573	2 283
(-) other banking expenses	33	228
(+/-) Holders' share in investment deposit accounts	-	-
NET BANKING INCOME	114 474	84 743
(+) Income from financial asset operations (2)	-	258
(+) Other non-banking operating revenues	-	-
(-) Other non-banking operating expenses	-	-
(-) General operating expenses	2 289	2 445
Gross operating income	112 185	82 556
(+) Allowances for non performing loans and commitments (net of write-backs)	-7	-7
(+) Other allowances net of provision write-backs	-	21 743
Current income	112 178	104 292
Non-current income	-3 567	-2 752
(-) Corporate tax	39 819	38 588
Net earnings for the year	68 792	62 952

(In thousand MAD)

CASH FLOW	30/06/21	30/06/20
(+) Net earnings for the year	68 792	62 952
(+) Allowances for depreciation and provisions for intangible and tangible fixed assets	-	-
(+) Allowances for provisions for equity investments depreciation	-	-
(+) Allowances for provisions for general risks	-	-
(+) Allowances for regulated provisions	-	-
(+) Non-current allowances	-	-
(-) Provision write-backs	-	258
(-) Capital gains on disposals of intangible and tangible fixed assets	-	-
(+) Capital losses on disposals of intangible and tangible fixed assets	-	-
(-) Capital gains on disposals of equity investments	-	-
(+) Capital losses on disposals of equity investments	-	-
(-) Write-backs of investment subsidies received	-	-
(+) Financing	68 792	62 694
(-) Dividends distributed	-	-
(+) Cash-flow	68 792	62 694

(In thousand MAD)

VIII - NOTE CONCERNING RISKS

8.1. RISK MANAGEMENT POLICY

8.1.1. Risk categories

8.1.1.1. Credit risk

Credit risk, inherent in banking activity, is the risk of customers not repaying their financial obligations toward the Bank in full or within the allotted time, resulting in potential losses for the Bank. It is the broadest risk category and may be correlated with other risk categories.

8.1.1.2. Market risk

Market risk is the risk of loss in value of financial instruments resulting from changes in market parameters, volatility and correlations between them. Concerned parameters include exchange rates, interest rates and the prices of securities (stocks, bonds) and commodities, derivatives and all other assets.

8.1.1.3. Global liquidity and interest rate risk

Interest rate risk is the vulnerability of the financial situation of an institution to adverse changes in interest rates.

Liquidity risk is defined as the risk for the development of not being able to meet its cash flow or collateral requirements when they fall due and at a reasonable cost.

8.1.1.4. Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, personnel error and systems failure or from external events. This definition includes legal risk, but excludes strategic and reputational risks.

8.1.1.5. Country risk

Country risk comprises political risk as well as transfer risk. Political risk generally arises from action taken by the government of a country such as nationalisation or expropriation or an independent event such as war or revolution, which may affect a customer's ability to honour its obligations.

Transfer risk can be defined as the risk of a resident customer being unable to acquire foreign currency in its country so as to honour its overseas commitments.

8.1.2. Risk management organization

8.1.2.1. Risk control bodies

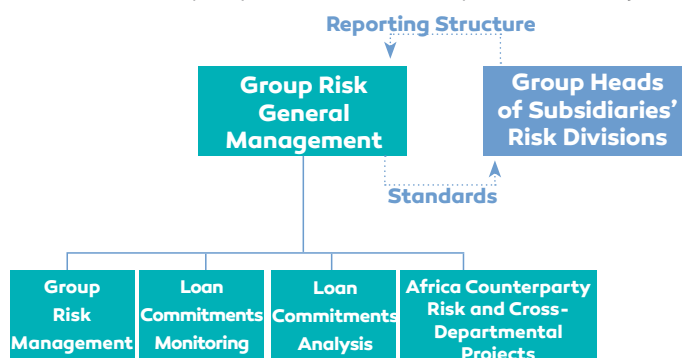
• Group Risk General Management

One of the Group Risk General Management's responsibilities is to ensure that credit, market and operational risks are monitored and controlled. It is responsible for:

- Defining the Group's risk policy
- Defining and managing the credit approval and monitoring processes
- Implementing a risk control system relating to credit, market and operational risks

Group Risk General Management comprises four units:

- Group Risk Management
- Loan Commitments Monitoring
- Loan Commitments Analysis
- Africa Counterparty Risk and Cross-Departmental Projects



8.1.2.2. Governance Bodies

• Group Risks Committee

BANK OF AFRICA Group's Risks Committee is a body reporting directly to BANK OF AFRICA's Board of Directors whose remit extends to the direct and indirect subsidiaries included within the Group's scope of consolidation.

The Group Risks Committee assists the Board of Directors in matters such as strategy and risk management. In particular, it ensures that overall risk policy is adapted to the risk profile of the Bank and the Group, the degree of risk aversion, its systemic importance, its size and its capital base.

• Audit and Internal Control Committees

BANK OF AFRICA Group's Audit and Internal Control Committee is a body reporting directly to BANK OF AFRICA's Board of Directors, whose remit extends to subsidiaries and other entities included within the Group's scope of consolidation.

The Group Audit and Internal Control Committee assists the Board of Directors in matters such as internal control, by ensuring that the existing internal control system is adapted to the Group's organisational structure and that the financial information intended for the Board of Directors and third parties is reliable and accurate. It also reviews the parent and consolidated financial statements prior to submitting them to the Board of Directors for approval.

• General Management Committee

The General Management Committee is responsible for translating and monitoring the Group's corporate strategy into operational initiatives and measures.

This Committee, which meets weekly, is also primarily responsible for steering the Bank's business, managing its internal control and risk management systems, monitoring HR and overseeing commercial, institutional and financial communications.

• Group Risk Steering and Management Committee

Reporting directly to BANK OF AFRICA Group's General Management Committee, the Group Risk Steering and Management Committee assists in managing and monitoring, at the operational level, the Group risk steering policy of BANK OF AFRICA S.A. and of its direct and indirect subsidiaries and ensuring that the Group's operations comply with risk policies and the limits set.

The Committee ensures that the risk steering policy relating to credit, market, country and operational risks is efficient and that the Group's risk profile is consistent with its risk appetite in the context of the Group's risk management policy.

8.1.2.3. Credit Committees

• Senior Credit Committee

The Senior Credit Committee reviews and approves, on a weekly basis, credit applications from customers of the Bank and of the Group within its delegated powers. Operating rules and powers differ depending on the level of risks incurred, as well as the credit portfolio segment in question – Business, Corporate or Personal & Professional Banking customers.

The scope of the Credit Committee also covers Group entities. It assesses and issues, via the Senior Credit Committee – Group Entities, decisions about risk taking with regard to certain counterparties or groups of counterparties across the banking and trading portfolio for both Moroccan and overseas operations and for individual counterparties based on thresholds predefined by each subsidiary.

This committee is chaired by the Bank's Chairman and Chief Executive Officer with the Group Deputy Chief Executive Officer as Vice-Chairman. Meeting twice a week, it is composed of senior managers of the Bank.

• Regional Credit Committee

The delegated powers enjoyed by the Regional Credit Committee (CCR) enable it to rule on counterparties at the regional level in accordance with the existing scheme of delegation. The Committee meets on a weekly basis. CCR meeting dates are decided by the Regional Director of each region and all members are informed accordingly.

8.1.2.4. Loan Commitments Monitoring Committee (CSE)

As part of its portfolio monitoring remit, the Loan Commitments Monitoring Committee (central CSE and regional CSE) meets on a monthly basis to follow up on the various initiatives to regularise, recover and clean-up accounts showing anomalies. The Committee also reviews customer dossiers that are eligible for downgrade and decides on what action to take.

Responsibility for tracking and monitoring the Loan Commitments situation is assumed by various bodies at four levels, three of which are head office based.

8.2. CREDIT RISK

The Bank's credit division operates in accordance with the general credit policy approved by the Group's senior

management. The Group's requirements in terms of ethics, reporting lines, compliance with procedures and discipline in risk analysis are guiding principles.

This general policy is further broken down into specific policies and procedures depending on the character of specific operations or counterparties.

8.2.1. Credit Approval Process

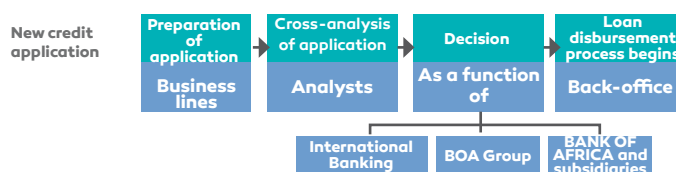
8.2.1.1. General principles

The credit approval process at every level of BANK OF AFRICA Group is guided by the troika principle and is based on the following principles:

- The credit approval process is the same for all types of credit application in that it ensures that the troika principle (at least) is met. Therefore, at least 3 people, including at least one person from the Risk function, must approve any credit application except in a number of predetermined exceptional cases.
- After prior cross-examination, decisions are taken jointly by the Risk and Commercial functions with regard to dossiers assigned by delegation of powers at the local as well as central levels as part of a multi-level pyramid structure. Should both functions fail to find a consensus, the dossier may be referred to a higher hierarchical level which will act as potential arbiter.
- An escalation procedure exists (L+1) in the event of any disagreement between the Risk and Commercial functions.

8.2.1.2. Bodies

The following provides a summary overview of the credit approval process:



- Responsibility for putting together the credit application dossier is incumbent on the Commercial function due to it having a commercial relationship with the customer
- A cross-examination of the credit application dossier is carried out by credit analysts from the Risk function
- Decisions are taken jointly by the Risks and Commercial functions based on their respective levels of delegations of power
- Responsibility for setting up the loan rests with the back-office, a body that is independent of the Risk and Commercial functions.

8.2.1.3. A choice of decision-making channels

To make the notification process more straightforward, each credit application made must adhere to the single decision principle.

Credit decisions are either taken by circulating the dossier or by holding a Credit Committee, via a manual or electronic process.

8.2.1.4. Delegation of powers

The credit decision-making process is based on a system of delegation of powers that derives from the powers granted by an entity's Board of Directors to employees or groups of employees, within the limits deemed appropriate.

Powers may be sub-delegated on the basis of the organisational structure, business volumes, products and risks.

Powers are delegated to employees on an *intuitu personae* basis as a function of their critical thinking capabilities, experience, personal and professional attributes and training.

8.2.1.5. Approval rules

Credit approval decisions are subject to review by the Troika or Credit Committees depending on the approval levels.

The existing credit delegation system defines the number of decision levels as follows:

- An initial 'local' level within each subsidiary
- A 'hub' level – BOA Group and International Banking
- A 'head office' level within BANK OF AFRICA.

Powers may be sub-delegated to the local level within the entity on the basis of the organisational structure, business volumes, products and risks.

8.2.1.6. The contents of a credit application dossier

Any application to set up a credit line must meet the product's eligibility criteria in accordance with each credit product's profile factsheet. Any credit decision is made on the basis of a standard credit application dossier, the format of which is defined in conjunction with the relevant Commercial and Risk functions and in coordination with Group Risks.

A credit application dossier is prepared for each counterparty or transaction to which the entity wishes to make a commitment or to which the entity has already made a commitment in the case of an annual review or a renewal on the basis of the documents provided by the customer as specified in the product checklists.

The documents checklist to be provided by the customer and the analysis framework are standard at Group level and are governed by the type of credit in question. The contents of a credit application dossier must provide decision-makers with the necessary qualitative and quantitative information and analysis to enable them to make an informed credit decision.

The Commercial function responsible for preparing the credit application dossier is also responsible for its contents.

The credit application dossier remains the sole reference document required to take a credit decision. It must therefore be properly signed and stamped to be valid at the requisite level of the responsibility chain.

8.3. RATINGS SYSTEM

BANK OF AFRICA has an internal ratings system covering several customer segments.

8.3.1. Ratings system's guiding principles

8.3.1.1. One and only one rating

A rating is attributed to each customer. Each customer is treated as a Group third party code. The ratings process is carried out for each Group third party code so that a third party has one and only one rating. BANK OF AFRICA therefore ensures that one and only one rating is assigned to each assessed counterparty.

8.3.1.2. Integrity

In accordance with regulatory guidelines, ratings attributions and their periodic revisions must be carried out or approved by a party that does not directly benefit from the loan being approved. This concept of integrity when assigning a rating is a key aspect of the credit risk management charter, which seeks to encourage and ensure that the ratings process is truly independent.

8.3.1.3. Uniqueness

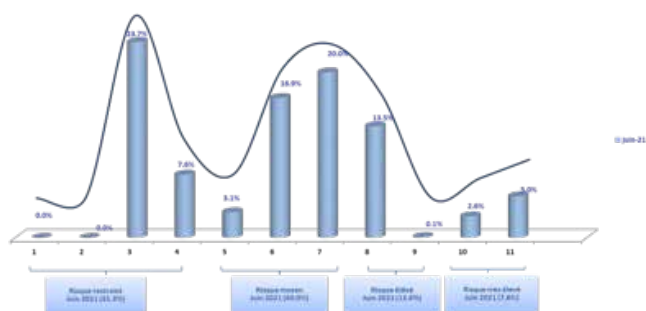
For each of the Bank's third parties, a specific code is assigned to each counterparty type. Each third party is therefore rated using a template corresponding to a benchmark counterparty. As a result, for each third party, which has a particular and therefore unique counterparty type, the appraisal is carried out with the help of a single ratings template, but with characteristic data that are specific to the counterparty in question. BANK OF AFRICA is therefore able to ensure that the rating assigned to each counterparty is unique.

8.3.2. Ratings scale

Based on the ratings scale adopted by BANK OF AFRICA Group, the final counterparty rating ranges from 1 to 11:

CATEGORY	CLASS	DEFINITION
Limited risk	1	1 Extremely stable short- and medium-term; very stable long-term; solvent despite serious disruptions;
	2	2 Very stable short- and medium-term; stable long-term; sufficiently solvent despite persistently negative events;
	3	3 Solvent short- and medium-term despite significant difficulties; moderately negative developments can be withstood long-term;
	4	4 Very stable short-term; no expected change to threaten the loan in the coming year; sufficiently solid medium-term to be able to survive; long-term outlook still uncertain;
Medium risk	5	5 Stable short-term; no expected change to threaten the loan in the coming year; can only withstand small negative developments medium-term;
	6	6 Ability limited to withstand unexpected negative developments;
	7	7 Ability very limited to withstand unexpected negative developments;
High risk	8	8 Ability limited to repay interest and principal on time; any change in internal and external economic and commercial conditions will make it difficult to fulfil obligations;
	9	9 Incapable of repaying interest and principal on time; fulfilling obligations dependent on favourable internal and external commercial and economic conditions;
Very high risk	10	10 Very high risk of default; incapable of repaying interest and principal on time; partial default in repayment of interest and capital;
	11	11 Total default in repayment of interest and capital.

Breakdown of loan commitments by risk category at 30 June 2021:



8.3.3. Retail customer scoring system

The retail customer scoring system consists of statistically modelling defaulting retail customers and their risk behaviour.

Two types of score have been introduced, a behavioural score and a credit approval score.

The behavioural score, for accounts already opened, is a dynamic risk assessment based on a customer's behaviour. Only customers that are known to the Bank may be assigned a behavioural score.

Each of the Bank's customers is assigned a rating from A to K which is updated on a monthly basis and on a daily basis in the event of any incident.

Classe	Signification	E-	Risque élevé
A	Risque très faible	F	Risque très élevé
A-		G	
B	Risque faible	G-	Risque majeur
B-		H	
C	Risque moyen	H-	Risque avéré
C-		I	
D	Risque moyennement élevé	J	Douteux
D-		K	
E			Compromis

Four separate behavioural scoring models have been introduced for specific market segments: personal banking customers, professional banking customers, Moroccans living abroad and small businesses.



The credit approval score is a one-off rating that is assigned on opening a line of credit. New and existing customers are assigned a credit approval score.

A decision support system has been introduced for approving consumer loans.

8.4. SYSTEM FOR CONTROLLING AND MONITORING CREDIT RISK

The system for monitoring and steering credit risk provides second level control. It operates independently of monitoring carried out by the Commercial function on a daily basis.

The way in which this system is applied may be adapted to the specific character of each subsidiary in concertation with Group Risk General Management.

The checks carried out by the various entities reporting to Group Risk General Management are primarily aimed at ensuring that the advanced alert system is efficient both in terms of risk management and the Commercial function being able to anticipate potential risks so that the Bank's loan portfolio is managed appropriately. The Group Risks Division, through the Loan Commitments Permanent Monitoring Division, also ensures that the Commercial function is properly monitored and alerted to any conspicuous shortcomings.

The main operational responsibilities of the Group Risks Division, as part of its remit for monitoring and steering credit risks, are to:

- Ensure a priori checks
- Ensure a posteriori checks
- Identify and monitor the portfolio of loan commitments in accordance with a number of analytical criteria such as product type, maturity, beneficiary, business sector, branch, geographical zone etc.
- Set and monitor concentration limits
- Detect high-risk accounts and ensure that they are monitored
- Classify the non-performing loan portfolio according to regulatory criteria and recognise the appropriate provisions
- Conduct stress tests
- Produce and file regulatory reports and ensure internal steering.

8.4.1. A priori checks

A priori checks include all compliance checks carried out prior to a credit line's initial authorisation and use. These checks are carried out in addition to automated checks as well as checks carried out by the Commercial Division, Back-office and Legal Department etc.

These checks, which are implemented by entities reporting to Group Risk General Management, primarily relate to:

- Credit proposal data
- Compliance with the appropriate delegation level
- Legal documentation compliance
- Conditions and reservations expressed before initial use of funds or the facility
- Data entered into IT systems.

8.4.2. A posteriori checks

Like a priori checks, a posteriori checks are also carried out by Group Risk General Management.

The aim of these checks is to evaluate, mitigate and monitor credit risks for the portfolio as a whole rather than on an individual counterparty basis. Special attention is therefore paid to credit quality, to pre-empting and preventing abnormalities and risks as well as ensuring that the Commercial function is involved in controlling and monitoring risks.

8.4.2.1. Steering the loan commitments portfolio

The loan commitments portfolio of the Group and its entities is steered using a number of indicators of risk resulting when credit approval is given as well as those arising during the life of the loan.

Multi-criteria analysis of the loan portfolio is a way of controlling risks retrospectively. This consists of identifying and tracking all loan commitments of the Group and its entities based on a number of criteria such as products, maturities, customers, business groups, customer segments, counterparty ratings, asset categories (healthy and non-performing), business sectors, agencies, geographical areas, types of security etc. Multi-criteria analysis is a credit risk management tool.

The Credit Risks function is responsible for carrying out multi-criteria analysis of the loan portfolio. It is also responsible for reporting on credit risks, both within the Group to the Risk Committees and to senior management, and externally, to regulators.

8.4.2.2. Concentration limits

Credit risk management is based on a system in which a risk opinion and formal risk limits are attributed to strategic initiatives at the business line level, such as in the event of a new business or product launch. For BANK OF AFRICA Group, the risk of credit risk concentration may result from exposure to:

- Individual counterparties
- Interest groups
- Counterparties from the same business sector.

8.4.2.2.1. Individual counterparties

The Group monitors individual concentrations at the parent and consolidated levels on a monthly basis. It closely monitors the commitments to its largest 10, 20 and 100 largest customers by commitment.

The following table shows commitments to the Bank's main debtors at the end of June 2021:

	30 June 2021	
	Amount disbursed	% of total
Commitments to 10 largest customers	18 944	16%
Commitments to 20 largest customers	25 610	21%
Commitments to 100 largest customers	45 477	37%

8.4.2.2.2. Interest groups

Portfolio diversification by counterparty is monitored on a regular basis, particularly within the framework of the Group's individual concentration policies. Credit risk exposure to counterparties or groups of counterparties with relatively sizeable loans, amounting to more than 5% of the Bank's capital, are specifically monitored, both on an individual and consolidated basis.

Furthermore, controlling major risks also ensures that the aggregate risk incurred for each beneficiary does not exceed 20% of the Group's net consolidated capital, as required by Moroccan banking industry regulations. BANK OF AFRICA Group ensures that it complies with the concentration thresholds stipulated in the Bank Al-Maghrib directive.

8.4.2.2.3. Counterparties from the same business sector

The chosen methodology for setting sector limits is based on a statistical model which includes historical default rates and the number of counterparties by business sector and by risk category – rating.

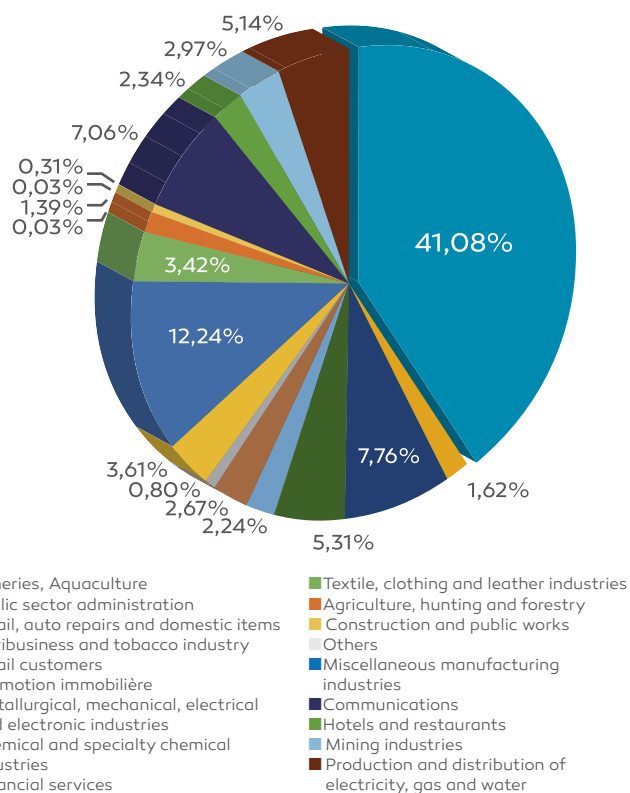
The objective is to model the probability of default by using appropriate econometric techniques and a dependent random variable whose value is derived from the number of default occurrences.

This procedure is based on the assumption that counterparties are independent and that the defaulting events are not correlated. The key concept underlying this methodology is the probability of default for a given counterparty. This probability is measured by using the rate of default of the business sector-risk category pair.

The model also enables the Bank to identify priority sectors for credit expansion in the context of the Bank's development plan as well as bad loan experience by sector. This approach, adopted by the Group Risks Division, is complemented by back-testing the model every six months.

Sector-specific limits are reviewed every six months in consultation with commercial units and the Bank's Economic Intelligence Centre which provide operational experience as well as estimates of macroeconomic and industry growth. The opinions of these entities help to challenge and provide further confirmation of the model's suitability in a given economic context.

Breakdown of the Group's loan commitments to customers by business sector at 30 June 2021:



8.5. COUNTRY RISK

Country risk refers to the possibility that a sovereign counterparty in a given country, as well as other counterparties in this country, is unable to or refuses to fulfil its foreign obligations due to socio-political, economic or financial reasons.

Country risk may also result from restrictions on the free movement of capital or other political or economic factors, in which case it is qualified as transfer risk. It may also result from other risks related to events occurring that impact the value of commitments to the country concerned (natural disasters, external shocks).

The primary goal of the Group's country risk policy is to establish a system that will enable it to assess, mitigate, reduce and, if necessary, prudently suspend its commitments in high-risk countries, in a coordinated manner, at Group level.

Country risk policy, in addition to the country risk management strategy, comprises rules for identifying, managing and controlling these risks as well as the Group entities responsible. The main feature of this risk prevention policy is the system for delegating and limiting commitments.

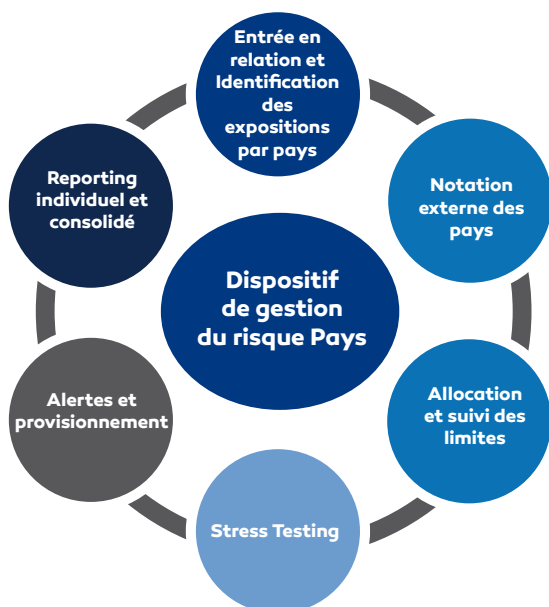
This system has been designed in such a way as to be increasingly restrictive in proportion to any increase in country risk. The level of exposure adopted is determined as a function of the country risk level, reflected in the rating attributed to each country and as a percentage of each Group entity's capital.

BANK OF AFRICA is primarily exposed to Morocco in terms of country risk. The Bank's commitments to foreign counterparties relate to foreign credit institutions. These commitments require:

- Post-rating authorisation and fundamental analysis of each counterparty
- Monthly monitoring, with the findings sent to the Central Bank in the form of a required regulatory statement.

The reporting process provides an overview of BANK OF AFRICA Group's overall exposure to foreign bank counterparties. It also reflects exposure by country, which includes all assets on the balance sheet and off-balance sheet items, including loans and advances to residents of foreign countries.

In addition to these statements, Group Risk Management prepares a monthly analytical report on BANK OF AFRICA Group's foreign exposure. This report enables BANK OF AFRICA Group to assess the level of its foreign exposure and provides a management tool for monitoring the development of a country's risk profile. The Group's country risk policy is outlined as follows:



8.6. LIQUIDITY AND INTEREST RATE RISK MANAGEMENT SYSTEM

BANK OF AFRICA has adopted a system for steering balance sheet risks such as liquidity and interest rate risks to enable it to continuously monitor their development as a function of financial market trends and their impact on the Bank's operations.

In order to maintain balance sheet stability over the medium to long term, the liquidity and interest rate risk management system is designed to:

- Ensure earnings stability when interest rates change, thereby maintaining net interest income and optimising the economic value of equity

- Ensure an adequate level of liquidity, thereby enabling the Bank to meet its obligations at any given time and protect it from any eventual crisis

- Ensure that the risk inherent in its foreign exchange positions does not have a negative impact on the Bank's profit margins

- Steer the Bank's strategy in such a way as to be able to take full advantage of any possible growth opportunities.

The Bank has established an ALCO committee to ensure that these targets are met. The main tasks of this committee are as follows:

- Set asset-liability policy

- Organise and steer asset-liability sub-committees

- Possess in-depth knowledge of the types of risk inherent in the Bank's operations and keep abreast of any changes in these risks as a function of financial market trends, risk management practices and the Bank's operations

- Review and approve procedures aimed at mitigating the risks inherent in the Bank's operations in terms of credit approval, investments, trading and other significant activities and products

- Master the reporting systems that measure and control the main risk sources on a daily basis

- Regularly review and approve risk limits as a function of any eventual change in the Group's strategy, approve new products and react to significant changes in market conditions

- Ensure that the different business lines are properly managed by HR and that the latter possesses an appropriate level of competence, experience and expertise in relation to the activities that they oversee.

Responsibilities of the different departments involved in interest rate and liquidity risk management

Every department within the Bank is involved in ensuring short- and medium-term balance sheet stability with the responsibilities of each party clearly defined in respect of interest rate and liquidity risk management.

In this regard, each of the Bank's entities will have its own budget and medium-term goals, approved by the General Management Committee. This enables the relevant bodies to monitor and control, in an orderly manner, implementation of the three-year plan whilst ensuring balance sheet stability and compliance with regulatory capital requirements.

The ALM department regularly monitors developments in the Bank's balance sheet structure by comparison with the plan and will signal any divergence at ALCO committee meetings, attended by representatives of each entity, to ensure that any required corrective measures are taken.

Liquidity risk

The Bank's strategy in terms of liquidity risk management aims to ensure that its financing mix is adapted to its growth

ambitions to enable it to successfully expand its operations in a stable manner.

Liquidity risk is the risk of the Bank being unable to fulfil its commitments in the event of unforeseen cash or collateral requirements by using its liquid assets.

Such an event may be due to reasons other than liquidity, for example, significant losses that result from defaulting counterparties or due to adverse changes in market conditions.

There are two major sources of liquidity risk:

- The institution's inability to raise the required funds to deal with unexpected situations in the short term, such as a massive deposit withdrawal or a maximum drawdown of off-balance sheet commitments
- A mismatch of assets and liabilities or the financing of medium- or long- term assets by short-term liabilities.

An acceptable liquidity level is a level that enables the Bank to finance asset growth and to fulfil its commitments when they are due, thereby protecting the Bank from any eventual crisis.

Two indicators are used to evaluate the Bank's liquidity profile:

- The Liquidity Coverage Ratio (LCR), which stood at 171% on a consolidated basis at 30 June 2021 and above the regulatory requirement of 100% set by Bank Al Maghrib
- The Bank's cumulative gap profile – this method of periodic or cumulative gaps in dirhams and in foreign currencies helps measure the level of liquidity risk incurred by the Bank over the short, medium and long term.

This method is used to estimate net refinancing needs over different time periods and to determine an appropriate hedging strategy.

Interest rate risk

Interest rate risk is the risk that future changes in interest rates have a negative impact on the Bank's profitability.

Changes in interest rates also impact the net present value of expected cash flows. The extent to which the economic value of assets and liabilities is impacted will depend on the sensitivity of the various components of the balance sheet to changes in interest rates.

Interest rate risk is measured by conducting simulation-based stress tests under a scenario in which interest rates are raised by 200 basis points as recommended by the Basel Committee.

The Bank's strategy in terms of interest rate risk management is aimed at ensuring earnings stability when interest rates change, thereby maintaining net interest income and optimising the economic value of equity.

Changes in interest rates may negatively impact net interest income and result in the Bank significantly undershooting its initial projections.

In order to counter such risks, the ALM department regularly steers the Bank's strategy by establishing rules for matching assets and liabilities by maturity and by defining a maximum tolerance departure threshold for net interest

income by comparison with projected net banking income.

The method of periodic or cumulative gaps in dirhams and in foreign currencies helps measure the level of interest rate risk incurred by the Bank over the short, medium and long term.

This method is used to estimate asset-liability mismatches over different time periods and determine an appropriate hedging strategy.

Sensitivity in the value of the banking portfolio

Simulation-based stress tests are carried out to assess the impact from a change in interest rates on net interest income and on the economic value of equity.

At 30 June 2021, if the trading book portfolio were excluded, the impact from a +200-basis points change in interest rates on net interest income was estimated to be negative MAD 0.188 billion or -4.36% of projected net interest income. The impact from a -200-basis points change in interest rates on net interest income was estimated to be positive MAD 0.183 billion or +4.25% of projected net interest income.

The change in the economic value of equity, if the trading book portfolio were excluded, in the event of a 200-basis points shock was estimated to be MAD 1.070 billion or 8.56% of regulatory capital.

8.7. MARKET RISK

Management of market risk at BANK OF AFRICA Group adheres to regulatory standards as defined by supervisory authorities in application of best international management practices as defined by the Basel Accords.

Market transactional risk is defined as the risk of incurring losses on balance sheet and off-balance sheet positions as a result of fluctuations in market prices. For BANK OF AFRICA Group, this type of risk encompasses:

- Interest rate risk
- Foreign currency risk
- Equity risk
- Credit risk for market transactions.

Financial instruments mapping

The following table shows products traded as part of BANK OF AFRICA Group's trading portfolio, mapped by risk factor:

Produits de taux	I- Corporate and interbank loans/borrowings
	• Fixed rate (MAD and foreign currencies) • Floating rate (MAD and foreign currencies)
	II- Negotiable debt securities and other debt securities
	II-1 Sovereign securities • Fixed rate (MAD) • Floating rate (MAD and foreign currencies) II-2 Securities issued by credit institutions and companies • Fixed rate (MAD) • Floating rate (MAD and foreign currencies)
OPCVM	III- Stock lending/borrowing
	• Stock lending/borrowing • Repos/Reverse repos
Produits de change	IV- Interest rate derivatives
	• Interest rate swaps • Swap futures • Forward Rate Agreement
	OPCVM monétaires OPCVM Obligataires OPCVM Actions OPCVM Diversifiés
	I-Change
Produits sur titres de propriété	Change au comptant Change à terme
	II-Dérivés de change
Produits sur matières premières	Swaps de change Options de change
	Titres de propriété Dérivés sur actions/Indices Futures sur MP Options sur MP Swaps sur MP

8.7.1. Dispositif de Gestion des Risques de Marché

8.7.1.1. Governance

The main contributors to BANK OF AFRICA Group's market risk management policy are as follows:

- General Management, which implements market risk management strategies and policies approved by the Board of Directors
- The Group Risks Committee, which defines the Group's market risk management policy and approves any change in steering risks in market operations implemented by any of the Group's entities
- The Group Market Risks Committee, which ensures that the system for monitoring BANK OF AFRICA Group's market risks is effective and consistent with the policy for managing the Group's market risks
- The Group Market Risks unit which, as a separate department from the Group's front-office, centralises management of BANK OF AFRICA Group's market risk; this gives it maximum objectivity in steering market risks and in arbitrating between different market activities
- The Risk management units of BANK OF AFRICA Group entities which ensure first level control of market activities within their own entities and report back to Group Risk Management
- Internal Audit, which ensures implementation of the market risk management policy and rigorous compliance with procedures.

8.7.1.2. Market risk management system

BANK OF AFRICA Group's market risk management system is structured around three main aspects:

- Limits
- Risk indicators
- Capital requirements.

8.7.1.2.1. Limits

• Counterparty limits on market transactions

The approval process for counterparty limits and applications to overrun those limits in market transactions is governed within BANK OF AFRICA Group via a system of delegation of powers within a framework of procedures specific to each counterparty type.

Limits are set beforehand for market transactions in accordance with a scheme of delegation based on the troika principle.

• Market limits

In order to control market risk within BANK OF AFRICA Group and to diversify the trading portfolio, a set of market limits has been jointly adopted. These limits reflect the Group's risk profile and help it steer market risk effectively by arbitrating between the various market activities. BANK OF AFRICA Group's set of market limits comprises the following:

- Stop-loss limits
- Position limits
- VaR limits
- Trading limits.

Market limits are determined using VaR. The system for managing limits is dynamic and takes into account fluctuations in various risk factors as well as existing correlations so as to best appraise the extent to which the trading portfolio is diversified.

• Regulatory limits

In addition to limits adopted for internal purposes, BANK OF AFRICA Group also complies with regulatory limits defined by Bank Al-Maghrib including:

- Limits on foreign currency positions which should not exceed 10% of shareholders' equity
- Limits on the overall foreign exchange position which should not exceed 20% of shareholders' equity.

8.7.1.2.2. Risk indicators

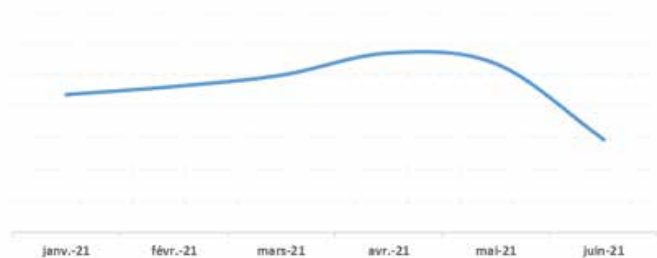
A variety of risk indicators, reflecting the level of exposure to market risk, are used by BANK OF AFRICA Group:

• Overall value-at-Risk (VaR) and by asset class

Value-at-Risk is a technique used to quantify overall market risk. It helps to quantify the risk incurred by calculating the potential loss over a given time horizon and the degree of probability.

Unlike traditional risk indicators, Value-at-Risk combines several risk factors and measures their interaction, thereby taking into consideration portfolio diversification.

BANK OF AFRICA Group calculates overall Value-at-Risk by asset class on a daily basis as well as carrying out back-testing.



• Stressed VaR

The Group has used different scenarios for calculating stressed VaR.

The Group has selected a number of events that have generated a high level of volatility in financial markets.

Examples of such events include:

- The bankruptcy of Lehman Brothers, which was unable to withstand the sub-prime crisis
- The USD 1,000 billion widening in the US budget deficit to support financial markets
- The Greek crisis and the threat of contagion spreading to the 'PIIGS' countries.

The reaction, however, by Morocco's financial markets to these events was limited. A number of scenarios were therefore applied to simulate global market conditions:

- Price action in the Casablanca stock market identical to that of the United States
- Price action in the dirham exchange rate identical to that of USD
- The knock-on effect of EURUSD volatility on EURMAD and USDMAD
- The knock-on effect of EURUSD volatility on EURMAD volatility and USDMAD volatility.

a - Stress-testing by risk factor

BANK OF AFRICA Group conducts stress tests in order to evaluate the vulnerability of the Group's trading portfolio under extreme scenarios. Stress tests encompass every component of the trading portfolio by simulating all risk factors that might impact it. The results of stress tests in terms of the impact from interest rate risk and foreign exchange risk on the trading portfolio are outlined below.

b- Fixed income portfolio

1st scenario: A 25 basis point parallel shift in the yield curve.

This scenario would result in a MAD 59 million impact on the P&L.

2nd scenario: A 50 basis point parallel shift in the yield curve.

This scenario would result in a MAD 117 million impact on the P&L.

c- Equity portfolio

1st scenario: A 15% fall in the value of the equity portfolio.

This scenario would result in a MAD 9.5 million impact on the P&L.

2nd scenario: A 25% fall in the value of the equity portfolio.

This scenario would result in a MAD 15.7 million impact on the P&L.

Foreign exchange

1st scenario: A 2.5% rise or fall in the value of the dirham.

This scenario would result in a MAD 8.5 million impact on the P&L.

2nd scenario: A 5% rise or fall in the value of the dirham.

This scenario would result in a MAD 17 million impact on the P&L.

The results of the stress tests show that the Group has sufficient capital to withstand adverse stress scenarios and is able to comply with regulatory standards, even in crisis situations.

8.8. OPERATIONAL RISK

Operational risk is defined as the risk of loss due to inadequate or failing internal procedures, employee error, systems failure or external events, which are liable to impact the smooth running of the business.

8.8.1. Operational risk management policy

8.8.1.1. Aim of managing operational risk

Operational risk management policy has three aims:

- Identify, analyse and evaluate operational risks
- Evaluate internal checks
- Monitor operational risks via alert indicators.

Operational risk is managed by adopting preventive and/or corrective action for the major risks identified.

The risk management system is regularly reviewed and monitored to ensure its ongoing improvement.

8.8.1.2. Classification

Operational risks or losses may be analysed, classified and ranked on the basis of the following factors: cause, effect (financial impact or otherwise), score, qualification, level of control and event type under Basel.

8.8.1.1.1. Links to other risk types (market risk/credit risk)

The management of operational risks is potentially linked to managing other risks (market risk/credit risk) at two levels:

- At a general level, analysis of the Bank's overall level of risk aversion (in terms of allocation of capital) must be carried out and "trans-risks" monitored
- At a specific level, a number of operational risks may be the cause of market risk or credit risk.

8.8.1.1.2. Operational risk management organisation

The framework governing operational risk management within BANK OF AFRICA Group is based on three main objectives:

- Define a target policy consistent with BANK OF AFRICA Group's business organisation, inspired by best practice
- Involve and empower business lines and subsidiaries in the day-to-day management of operational risk management
- Ensure that the audit-control and the operational risk management functions are kept separate.

Operational risk management at BANK OF AFRICA Group involves four major entities:

- The Group Operational Risk division at BANK OF AFRICA's head office
- BANK OF AFRICA's branch network
- BANK OF AFRICA's business divisions
- Subsidiaries.

Operational risks coordinators have been appointed by the aforementioned entities. These include:

- Operational Risk Correspondents (CRO)
- Operational Risk Coordinators (CORO)
- Operational Risk Liaison Officers (RRO).

The operational risk management's remit also extends to the Group's subsidiaries.

8.8.1.1.3. Governance of operational risk management

Governance of operational risks within BANK OF AFRICA Group is carried out by three operational risk Committees:

- Group Operational Risk Committee, an offshoot of the Group Risk Steering and Management Committee, the results of whose work are presented to the Group Risks Committee, which reports directly to the Board of Directors
- Operational Risk Monitoring Committee
- Operational Risk (Subsidiaries) Committee.

These committees are tasked with periodically:

- Reviewing changes in operational risk exposure and the environment for controlling such risks
- Identifying the main areas of risk in terms of activities and risk types
- Reviewing the state of progress of the preventive and corrective action plans drawn up with a view to dealing with and mitigating the major operational risks
- Reviewing the amount of capital to be allocated to

operational risks, the cost of preventive action required and the cost of insurance.

8.8.1.3. Fundamental methodology principles

BANK OF AFRICA Group's operational risk management policy is underpinned by two strategic priorities:

- Reduce exposure to operational risks
- Optimise capital requirements relating to hedging operational risks.

The internal system for measuring operational risks is closely linked to the Group's day-to-day risk management process via:

- Risk events collection
- Mapping operational risks
- Key risk indicators.

The data produced form an integral part of these processes of monitoring and controlling the operational risk profile.

The senior management of the entity in question, General Management and the Board of Directors are regularly notified of operational risk exposure and any losses incurred. The management system is properly documented, ensuring compliance with a formalised set of checks and internal procedures and corrective measures in the event of non-compliance.

Internal and/or external auditors are invited to periodically review management processes and systems for measuring operational risk. These audits relate to units' activities and the independent operational risk management function.

Operational risk management at BANK OF AFRICA Group has been entirely automated by means of specialised MEGA HOPEX software. This software is now used to collect risk events and map operational risks and key risk indicators.

8.8.1.4. Operational risk control and mitigation

Several types of attitude may be envisaged to manage operational risks:

- Reinforce checks
- Hedge risks, especially via insurance contracts
- Avoid risks, in particular, by redeploying activities
- Draw up business continuity plans
- Closely monitor to ensure that risk limits or assigned thresholds are complied with.

BANK OF AFRICA Group has a very strong control policy, resulting in a significant reduction in operational risks. However, in terms of operational risk management, over and above its risk control policy, the Group is at liberty to find the best possible solution on a case by case basis, depending on the different types of risks described above.

Additionally, the Group has insurance policies to mitigate risks such as damage to office buildings, fraud, theft of valuable items and third-party liability cover etc.

8.8.2. Business Continuity Plan

The Business Continuity Plan is a response to the rising demand to minimise the impact in the event of any interruption to the Bank's operations. This is due to a growing reliance on the resources underpinning those operations, including human, IT or logistical resources.

The Plan comprises a set of measures and procedures aimed at ensuring that the Bank, under different crisis scenarios such as a major shock, is able to maintain essential services in fail-soft mode on a temporary basis, prior to the planned resumption of normal operations.

A targeted rescue organisation has been set up, along with alternative locations and backup systems. A specific project is underway at Group level, with disaster avoidance planning a priority.

The strategic transversal principles underpinning the Business Continuity Plan are as follows:

- BANK OF AFRICA has a moral responsibility to allow its customers access to the funds that they have entrusted to it. Any breach of this obligation in times of crisis may have an impact on public order.

This principle shall prevail above any other.

- BANK OF AFRICA must guarantee its commitments towards Morocco's interbank clearing system
- BANK OF AFRICA intends, as a priority, to comply with every one of the existing legal and contractual commitments entered into (relating to loans and other commitments) before it enters into any other commitment
- BANK OF AFRICA intends to maintain its international credibility by guaranteeing, as a priority, its commitments vis-à-vis foreign correspondents
- BANK OF AFRICA Group's existing customers take priority over all others that might benefit from its services
- Services are provided along the entire chain from front-office to back-office e.g. from branch level up until recognition in accounting terms.

8.9. ICAAP SYSEM

The Internal Capital Adequacy Assessment Process (ICAAP) is a process for assessing internal capital adequacy. Its purpose is to ensure that the Bank, on a continuous basis, has adequate internal capital in relation to its risk profile.

There are 3 main aspects to ICAAP:

- Determining and steering BANK OF AFRICA SA's risk appetite
- Identifying and steering risks
- As well as establishing a capital buffer aimed at mitigating Pillar 2 risks (interest rate risk, liquidity risk, concentration risk, compliance risk etc.)

The Internal Capital Adequacy Assessment Process (ICAAP) enables the Bank to define a capital structure, dynamic projections of solvency ratios and additional capital requirements.

To complement this process, the Bank carries out simulations and stress tests based on various criteria to assess the impact of risk factors on its resilience in terms of capital.

The introduction of a risk appetite framework has been achieved by incorporating two frames of reference:

- A risk appetite framework which defines the governance and organisational scheme and the process for defining and presenting the Bank's risk appetite
- A risk appetite statement which, consistent with the Group's development strategy, defines the risk appetite aspects which reflect the Bank's risk profile.

These aspects have been broken down into quantitative indicators with related thresholds.

The Risk Department ensures that the risk appetite system is properly aligned to the capital allocation process and limits system.

As far as the Group's main risks are concerned, the Group's risk appetite is governed by limits and alert thresholds. These indicators ensure that the Group is well-positioned to meet its target values and reach its goals in terms of profitability.

8.10. INTERNAL CRISIS RECOVERY PLAN (PRCI)

In response to new measures introduced under Bank Al Maghrib's Circular 4/W/2017 relating to the introduction of an Internal Crisis Recovery (PRCI), BANK OF AFRICA has taken the necessary steps to comply with this regulation.

The purpose of this prevention system is to assess BANK OF AFRICA Group's resilience, as a systemic institution, in the event of an extreme crisis and to identify the key drivers to restore its viability in terms of solvency, liquidity, asset quality and profitability. The various risks to which the group is exposed are also covered by this PRCI. These include credit risk, market risk, country risk, balance sheet risk, operational risk, cybercrime risk, non-compliance risk and reputational risk.

As a result, a taxonomy of the Group's risks has been developed in conjunction with the ICAAP system, with more robust internal stress tests based on extreme but plausible scenarios covering every category of risk to which the Group is exposed.

The work carried out has enabled the Group to draw up an inventory of which business entities are considered as significant, which operations are fundamental and which functions are critical in the event of a major crisis. Crisis scenarios have been drawn up and simulations and impact calculations carried out. In addition, a simulation of the COVID-19 pandemic has been factored in which assumes a pessimistic and extreme development of the pandemic, similar to the scenarios considered by the IMF.

As a result, for each estimated impact, recovery measures have been defined with objectives established to restore the Bank's financial viability via previously identifiable and quantifiable drivers. As such, the list of recovery measures has been reviewed, detailing the preparatory and prerequisite measures and the operational and financial

risks to facilitate implementation of recovery measures as well as prioritising the defined measures.

BANK OF AFRICA Group has adopted a system of early warning indicators with the aim of identifying crises in a timely manner as well as defining a set of indicators for triggering recovery measures. The monitoring of these indicators is carried out as part of the Group's overall risk management and monitoring system.

This plan is updated annually to ensure that it complies with the relevant regulatory requirements. The aim is for it to become a genuine tool within the risk prevention process.

8.11. The environment, climate change and social responsibility

Underpinning BANK OF AFRICA Group's management framework relating to its undertakings regarding the environment, climate change and social responsibility is a set of values and an underlying commitment to respecting human rights and the environment. This framework has been adopted by each of the Group's banking and banking-related subsidiaries. It should also be noted that this framework applies to all financial products and services offered by the Bank.

As a result, BANK OF AFRICA Group factors sustainable development considerations and goals into its commercial approach and manages the environmental, climate-related and social risks associated with its commercial commitments.

Risks arising from environmental, climate-related and social (ECS) factors are inherent in any financial transaction. They translate into financial, legal, collateral-related or reputational impacts on the Bank.

The ECS risk identification, measurement and internal analysis systems are now tied in with the day-to-day operational risk management process.

8.12. Capital adequacy

BANK OF AFRICA Group has opted for the standardised approach to calculating risk-weighted assets as prescribed by Bank Al-Maghrib circulars, requiring banks to have a Tier 1 capital ratio of 9% and a solvency ratio of 12% at both the parent company and consolidated levels.

These thresholds calculated for BANK OF AFRICA Group comply with Bank Al-Maghrib's regulatory requirements.

CREDIT RISK-WEIGHTED ASSETS		30/06/2021
Type of Exposure	Risk-Weighted Assets post-CRM	
	174 369 843	
Balance-sheet items		
Off balance sheet items: financing commitments	9 502 923	
Off balance sheet items: guarantee commitments	-	
Counterparty Risk: temporary disposals of securities relating to the bank portfolio	308 218	
Counterparty Risk: temporary disposals of securities relating to the trading portfolio	-	
Counterparty Risk: derivative products relating to the bank portfolio	310 420	
Counterparty Risk: derivative products relating to the trading portfolio	29 648 863	
Other assets/Other items	612 754	
Settlement Risk		
Total		

COMPOSITION OF SHARE CAPITAL AND CAPITAL ADEQUACY

Main characteristics of items constituting shareholders' equity

BANK OF AFRICA's share capital stands at MAD 2,056,066,480 made up of 205,606,648 ordinary shares, each with a nominal value of 10 dirhams. The shares are fully paid-up. Each ordinary share entitles the holder to one voting right.

At 30 June 2021, fixed maturity subordinated debt stood at almost MAD 6.4 billion.

Measuring capital adequacy

BANK OF AFRICA Group has opted for the standardised approach to calculating risk-weighted assets as prescribed by Bank Al-Maghrib (BAM) circulars.

Since 30 June 2014, capital adequacy ratios have been calculated in accordance with Basel III regulatory standards as defined by BAM.

The method for calculating capital was reviewed in the light of these new regulations and temporary measures have been adopted for a period until 2019.

The circulars governing these declarations are as follows:

- Circular No. 26/G/2006 relating to calculating capital requirements based on the standardised approach for hedging credit institutions' credit, market and operational risks;
- Circular No. 8/G/2010 relating to calculating capital requirements based on internal approaches for hedging credit institutions' credit, market and operational risks;

- Circular No. 14/G/13 relating to capital requirements for credit institutions.

Composition of capital and capital adequacy

Tier 1 capital	22 250 777
Items to be included in Tier 1 capital	25 560 838
Share Capital	
Consolidated reserves, including premiums related to share capital and not included in hidden reserves	18 959 813
Retained earnings	26 741
Net income for the previous period	1 194 291
Minority interests	3 323 927
Items to be deducted from Tier 1 capital	3 310 061
Goodwill	1 032 114
Other adjustments to CET1	1 549 028
Non-current assets	701 185
Other deductions	27 734
Additional core capital	1 000 000
Perpetual subordinated debt	1 000 000
Tier 2 capital	8 349 219
Perpetual subordinated debt	6 940 822
Revaluation differences	
Hidden reserves	220 369
Total	30 623 466

Capital Requirements by Risk Type	Jun. 2021
Risk-weighted credit risks	220 577 542
Risk-weighted market risks	10 825 653
Risk-weighted operational assets	25 503 986
Total risk-weighted assets	256 907 181
Tier 1 Capital	23 250 777
Tier 1 Capital ratio	9.1%
Total admissible capital	31 109 031
Capital adequacy ratio	12.1%

Parent company	juin-21	déc-21	juin-22	déc-22
Tier 1 capital	13 956	14 099	13 850	13 919
Total capital	20 710	20 248	20 400	19 869
Risk-weighted assets	139 635	139 698	141 520	143 417
Tier 1 capital ratio	10.0%	10.1%	9.8%	9.7%
Capital adequacy ratio	14.8%	14.5%	14.4%	13.9%

Consolidated	juin-21	déc-21	juin-22	déc-22
Tier 1 capital	23 251	24 403	24 696	25 536
Total capital	31 109	31 658	32 351	32 591
Risk-weighted assets	256 907	260 655	266 109	271 020
Tier 1 capital ratio	9.1%	9.4%	9.3%	9.4%
Capital adequacy ratio	12.1%	12.1%	12.2%	12.0%

A MAD 1 billion fixed maturity subordinated debt issue has been factored into H1-2022.